



## Mylan Reports Record Revenues and Earnings For The Fourth Quarter and Fiscal 2002

PITTSBURGH, May 8, 2002 (BUSINESS WIRE) -- Mylan Laboratories Inc.(NYSE: MYL)

- Financial Highlights:
  - Net revenues increased 30% to exceed \$1.1 billion for the fiscal year and 14% to \$282.6 million for the quarter.
  - Gross profit increased 63% to \$623.9 million for the fiscal year and 43% to \$160.9 million for the quarter.
  - Net earnings increased 98% (excluding the impact of the FTC settlement) to \$260.3 million for the fiscal year and 60% to \$67.3 million for the quarter.
  - Diluted earnings per share increased 96% (excluding the impact of the FTC settlement) to \$2.04 for the fiscal year and 61% to \$.53 for the quarter.

Mylan Laboratories Inc. (NYSE: MYL) announced today financial results for the fourth quarter and fiscal year ended March 31, 2002. Net revenues exceeded \$1.1 billion and net earnings per diluted share increased over 96% (excluding the impact of the FTC settlement in fiscal 2001) to \$2.04 for the year. Fiscal 2002 fourth quarter net earnings per diluted share increased 61% to \$.53.

### Fiscal 2002 Fourth Quarter Results

Net earnings and diluted earnings per share for the fourth quarter increased by 60% to \$67.3 million and 61% to \$.53 compared to \$42.1 million and \$.33 in the prior year, respectively. These increases were principally due to the extended exclusivity of buspirone into the fourth quarter of fiscal 2002, new products launched subsequent to March 31, 2001 and improved profitability of our core generic business. Additionally, decreases in each operating expense category were partially offset by higher other expenses and a loss in our investment in Somerset Pharmaceuticals, Inc.

### Fiscal 2002 Results

Net earnings and diluted earnings per share were \$260.3 million and \$2.04, an increase of 98% and 96% (excluding the impact of the FTC settlement), respectively. These increases were due largely to the exclusivity of buspirone throughout most of fiscal 2002, new products launched subsequent to March 31, 2001 and improved profitability of our core generic business.

Additionally, excluding the impact of the FTC settlement in fiscal 2001, operating expenses for fiscal 2002 were higher primarily due to increased general and administrative expenses, which were partially offset by lower research and development expenses. These results were achieved despite lower sales and earnings in our brand division.

"I am proud that our revenues have increased ten fold over the last decade to \$1.1 billion, with a great majority coming from organic growth," said Milan Puskar, Chairman & CEO. " We enter our new fiscal year as a clear leader in the generic pharmaceutical industry. Our brand division is developing in the controlled manner which supports our strategic plan. We remain committed to our branded strategy as we continue to invest and build upon the existing platform. Mylan's investment in both brand and generic research and development will continue to grow revenue and shareholder value."

### Generic Segment

Net revenues for fiscal 2002 grew to \$971.1 million from \$675.1 million for the prior year, an increase of 44% or \$296.0 million. During the fourth quarter, net revenues were \$247.1 million compared to \$199.5 million for the prior year quarter, an increase of 24% or \$47.6 million.

Fiscal 2002 earnings from operations were \$483.1 million compared to \$187.1 million in the prior year, an increase of 158% or \$296.0 million. Earnings from operations for the fourth quarter were \$126.6 million compared to \$61.6 million for the prior year quarter, an increase of 106% or \$65.0 million.

The overall fiscal 2002 and fourth quarter growth in net revenues and net earnings from operations is principally related to

sales of buspirone, new products and improved profitability of our core generic business.

Research and development expenses for the fourth quarter remained relatively flat with the prior year quarter, while research and development expenses for fiscal 2002 decreased by \$13.4 million from the prior year. The decrease in fiscal 2002 was principally the result of the timing of expenses. We anticipate that research and development spending for fiscal 2003 will return to prior year levels.

#### Brand Segment

Despite the fact that fiscal 2002 and fourth quarter net revenues and earnings decreased from the prior year, we are extremely encouraged that prescription volume for Bertek promoted products grew 44% during the year. The lower net revenues and earnings were a result of the decision to curtail end of quarter promotional programs and changing customer buying patterns. Net revenues for fiscal 2002 declined to \$133.0 million from \$171.6 million for the prior year, a decrease of 22% or \$38.6 million. During the fourth quarter, net revenues were \$35.5 million compared to \$49.1 million for the prior year quarter, a decrease of 28% or \$13.6 million.

Fiscal 2002 loss from operations was \$16.2 million compared to fiscal 2001 earnings from operations of \$26.1 million, a decrease of \$42.3 million. Earnings from operations for the fourth quarter were \$0.3 million compared to \$6.5 million for the prior year quarter, a decrease of \$6.2 million.

Research and development expenses for fiscal 2002 increased by 46% or \$7.9 million from the prior year, while research and development expenses for the fourth quarter decreased by 49% or \$3.0 million from the prior year quarter. The increase in the fiscal 2002 expense was a result of the ongoing development costs related to nebivolol. The decrease in the fourth quarter was a result of the timing of expenses. Research and development expense will increase as spending for nebivolol progresses in fiscal 2003.

#### Corporate / Other Segment

Fiscal 2002 total expenses were \$71.7 million compared to \$46.7 million (excluding the impact of the FTC settlement), an increase of 54% or \$25.0 million. Total expenses for the fourth quarter were \$15.2 million compared to \$10.4 million for the prior year quarter, an increase of 46% or \$4.8 million. The fiscal year increase was attributable to payroll related expenses, principally associated with retirement benefits for executives and management employees and a donation to a charitable trust foundation in the fourth quarter.

#### Confirmation of First Quarter and Fiscal 2003 Financial Guidance

We remain comfortable with the diluted earnings per share guidance of \$.45 to \$.47 for the first quarter of fiscal 2003 and \$2.05 to \$2.09 for fiscal 2003 as provided in our press release dated March 5, 2002.

#### 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 (719) 457-2600. A replay of the conference call will be available from approximately 12:00 p.m. EDT on May 8 through 12:00 p.m. EDT on May 15, and can be accessed by dialing (719) 457-0820 with access pass code 578535.

To access the live webcast, go to Mylan's website at [www.mylan.com](http://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](http://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 year ended March 31, 2001, 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. We have 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](http://www.mylan.com).

MYLAN LABORATORIES INC. AND SUBSIDIARIES  
Consolidated Statements of Earnings  
(unaudited; in thousands, except per share amounts)

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2002	2001	2002	2001
Net revenues	\$282,598	\$248,648	\$1,104,050	\$846,696
Cost of sales	121,667	136,490	480,111	464,521
Gross profit	160,931	112,158	623,939	382,175
Operating expenses:				
Research and development	12,160	14,771	58,847	64,385
Selling and marketing	15,238	15,501	59,913	59,238
General and administrative	21,878	24,213	110,000	91,974
Tentative litigation settlement(1)	-	-	-	147,000
Earnings from operations	111,655	57,673	395,179	19,578
Equity in loss of Somerset	(1,229)	(726)	(4,719)	(1,477)
Other (expense) income, net	(5,037)	8,775	17,863	39,912
Earnings before income taxes	105,389	65,722	408,323	58,013
Provision for income taxes	38,098	23,660	148,072	20,885
Net earnings	\$ 67,291	\$ 42,062	\$ 260,251	\$ 37,128
Earnings per common share:				
Basic	\$ 0.53	\$ 0.34	\$ 2.07	\$ 0.30
Diluted	\$ 0.53	\$ 0.33	\$ 2.04	\$ 0.29
Weighted average common shares:				
Basic	126,106	124,908	125,525	125,788
Diluted	127,870	125,633	127,368	126,749

(1) In July 2000, the Company reached a tentative settlement, which was approved and made final in the fourth quarter of fiscal 2002, with the Federal Trade Commission, States Attorneys General and certain private parties with regard to lawsuits filed against the Company relating to pricing issues and raw material contracts on two of its products. Net earnings for the fiscal year ended March 31, 2001, excluding the \$147,000 before tax effect of the settlement, were \$131,208 or \$1.04 per diluted share.

MYLAN LABORATORIES INC. AND SUBSIDIARIES  
Consolidated Condensed Balance Sheets  
(unaudited; in thousands)

	March 31,	
	2002	2001
Assets		
Current assets:		
Cash and cash equivalents	\$160,790	\$ 229,183
Marketable securities	456,266	55,715

Accounts receivable, net	145,491	235,938
Inventories	195,074	161,810
Deposit - tentative litigation settlement	-	135,000
Other current assets	104,461	64,917
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Total current assets	1,062,082	882,563
Non-current assets	554,628	586,749
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Total assets	1,616,710	1,469,312
	=====	=====
Liabilities:		
Tentative litigation settlement	-	147,000
Other current liabilities	175,147	147,526
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Current liabilities	175,147	294,526
Non-current liabilities	39,324	42,250
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Total liabilities	214,471	336,776
Total shareholders' equity	1,402,239	1,132,536
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Total liabilities and shareholders' equity	\$1,616,710	\$1,469,312
	=====	=====

MYLAN LABORATORIES INC. AND SUBSIDIARIES

Segment Results  
(unaudited; in thousands)

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2002	2001	2002	2001
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Consolidated				
Net revenues	\$ 282,598	\$248,648	\$1,104,050	\$846,696
Cost of sales	121,667	136,490	480,111	464,521
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Gross profit	160,931	112,158	623,939	382,175
Research and development	12,160	14,771	58,847	64,385
Selling and marketing	15,238	15,501	59,913	59,238
General and administrative	21,878	24,213	110,000	91,974
Tentative litigation settlement	-	-	-	147,000
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Earnings from operations	\$ 111,655	\$ 57,673	\$ 395,179	\$19,578
	=====	=====	=====	=====
Generic Segment				
Net revenues	\$ 247,101	\$199,521	\$ 971,075	\$675,118
Cost of sales	104,479	118,161	418,339	402,007
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Gross profit	142,622	81,360	552,736	273,111
Research and development	9,041	8,622	33,814	47,204
Selling and marketing	2,931	4,108	12,430	14,342
General and administrative	4,068	7,029	23,424	24,450
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Earnings from operations	\$126,582	\$ 61,601	\$ 483,068	\$187,115
	=====	=====	=====	=====
Brand Segment				
Net revenues	\$ 35,497	\$ 49,127	\$ 132,975	\$171,578
Cost of sales	17,188	18,329	61,772	62,514
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Gross profit	18,309	30,798	71,203	109,064
Research and development	3,119	6,149	25,033	17,181

Selling and marketing	12,307	11,393	47,483	44,896
General and administrative	2,587	6,743	14,899	20,841
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Earnings/(Loss)				
from operations	\$ 296	\$ 6,513	\$ (16,212)	\$26,146
	=====	=====	=====	=====
Corporate/Other Segment				
General and				
administrative	\$ 15,223	\$ 10,441	\$ 71,677	\$ 46,683
Tentative litigation				
settlement	-	-	-	147,000
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Total expenses	\$ 15,223	\$ 10,441	\$ 71,677	\$193,683
	=====	=====	=====	=====

Effective April 1, 2001, the Brand Segment assumed responsibility for the marketing of EX phenytoin. Accordingly, for the quarter and year ended March 31, 2001, generic net revenues, along with the corresponding cost of sales, for this product have been reclassified to the Brand Segment.

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