

**Press Release**

**Total income up 49.4%**  
**Exports up 42.5%; Domestic up 26.8%**  
**PAT up 37.2%, R&D expense 6.9% of turnover**

Mumbai, July 31. Sun Pharmaceutical Industries Ltd., the speciality pharmaceutical company reported results for the first quarter of 2004-05. Profit at Rs. 750.6 mill was up 37.2% (Rs.546.9mill). Total Income at Rs.3233.2 mill was up 49.4%. Sales at Rs.2698.3 mill (Rs.2073.6mill) were up 30.1%.

These unaudited results of Sun Pharmaceutical Industries Ltd with limited review were taken on board at a meeting held in Mumbai today.

Consolidated: Sun Pharma combined with the 95% partnership Sun Pharmaceutical Industries (SPI), and other subsidiaries including Caraco had

- ❑ Total income Rs.3228.8mill (Rs.2571.9mill), up 25.5%
- ❑ Profit at Rs. 884.0 mill, up 38.7%
- ❑ Sales at Rs. 3192.2 mill (Rs. 2531.2 mill) up 26.1%.

**Breakups:**

All numbers pertain to Sun Pharma consolidated with the partnership Sun Pharma Industries.

For the quarter

- ❑ Domestic formulation accounted for 65% turnover at Rs.1888.2mill (Rs 1288.0 mill).
- ❑ Total Exports was 21.5% of turnover at Rs 624.7mill (Rs.438.5mill) up 42.5%
- ❑ Export of speciality bulk active, largely to regulated markets, was Rs.462.9mill (Rs 318.4mill), up 45.4%.
- ❑ Formulation exports continued to grow for the second year in a row, at Rs.155.2 mill, a growth of 38.9% (last year Rs 111.7 mill).

**Caraco H1 2004 numbers:**

Caraco had earlier announced

- ❑ For December 2003: sales of \$45.5mill,PAT of \$11.2 mill and net cash from operations of \$15.5mill.
- ❑ For the first half of 2004: sales of \$28.4mill, a net loss of \$0.7mill and net cash from operations of \$8.8mill. Non-cash R&D expense related to filings was \$12.5mill.

Sun Pharma in January this year had increased stake in Caraco to 63% through a buyout of equity from large shareholders and Caraco's numbers have been consolidated with that of the company using a line-by-line basis.

The Detroit, USA based Caraco Pharm Labs currently has 4 ANDAs filed and awaiting FDA approval, and 14 ANDAs received. Caraco has shared estimates of 20-25% topline growth for the year, and expects to make 7 filings for the year ending December 2004.

**International approvals**

The company's Halol formulation site received approval from the USFDA this quarter. This is in addition to the other regulated market approvals it received earlier- UK MHRA, South African MCC, Brazilian ANVISA and Columbian INVIMA.

The Panoli bulk active plant received USFDA approval. This plant holds ISO9002 certification, and is approved for Europe and Australia.

The ISO 9002 and ISO 14001 certified Ahmednagar plant is approved for US and Europe. ISO certifications have also been received for the Ankleshwar and Chennai plants.

The company has received 12 regulated market approvals for bulk actives and has 15 filings pending approval.

### **Rankings:**

In an increasingly competitive marketplace, Sun Pharma continues to be ranked 5th with a significantly higher than industry growth rate at 12.6% which is the highest among the top 5 companies (IMS ORG Retail Store Audit June 2004).

Market share is 3.15%, up from 2.99% last year and 2.57 % in 2001. (IMS ORG Retail Store Audit data June 2004, March 2003, Feb 2001, MAT).

The most significant rank increase according to C MARC data for March-June 2004, was the company's ranking with Cardiologists, which now moves to 1st rank.

Sun Pharma continues to add prescription share with other specialists and is ranked 1st with psychiatrists and 1st with neurologists. The company is ranked 2nd with gastroenterologists, 3rd with ophthalmologists, 4th with diabeticians, orthopedicians as well as chest physicians, 8th with oncologists, and 10th with gynecologists.

Overall, the company is ranked 7th by C MARC.

### **New research sites, patents:**

With the patent filings made by the IP team this quarter, the total number of patents submitted pending approval now stands at 321, with 33 patents granted.

At the Company's R&D Centre SPARC in Baroda, the progress of projects in NCE in three specific therapy areas; as well as that of platform NDDS technologies is fairly satisfactory.

The first phase of the new 16-acre R&D campus in Baroda with 200,000 sq ft research floor area has commenced operations this year.

The Mahakali R&D centre was commissioned this year with space for 150scientists and focus on projects for the US/ Europe both for Caraco and for Sun Pharma, and platform NDDS.

R&D expense for the 1st quarter was Rs.184.9 mill (Rs. 262.3 mill) or 6.9 % of turnover. Revenue R&D expense was Rs 147.8 mill (Rs. 90.8 mill)

### **Fund raising, merger dropped:**

The proposal for merger of Hindustan Antibiotics Ltd. with the company is not being pursued now. The plan to raise funds not over \$350mill by issue of an FCCB is not being pursued now.

### **New manufacturing sites**

The manufacturing site at Jammu was commissioned, and the new Dadra unit is now fully operational. These plants have been formed as a partnership between Sun Pharma (95% stake) and Sun Pharma Key Employees Benefit trust (5%).

The company's first joint venture manufacturing unit in Bangladesh, spread over 25,000 sq ft. is close to being commissioned.

According to Dilip Shanghvi, Managing Director of the company, with a clear priority for international markets and research, the activities we pursue this year will enhance our capabilities on both these fronts.

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