

Press Release**Sun Pharma reports strong turnover and profit growth
Q 4: PAT up 83.7%, Sales up 29.8%**

Mumbai, May 3

Sun Pharmaceutical Industries Ltd., the speciality pharmaceutical company reported results for the year ending 31/3/2003 with PAT up 35.1% to Rs.231.41cr., Total Sales up 14.8% to Rs.858.74 cr. There is significant margin improvement at about 27% on account of cost controls and better sourcing.

These audited results were taken on board at a meeting held in Mumbai today. The board recommended a dividend of 100%, on the equity shares of the Company for the year ended 31st March, 2003 subject to the approval of the members at the AGM.

For the 4th quarter, sales were up 29.8% to Rs.234.11cr and PAT up 83.7% to Rs74.17cr, reflective of continuing growth indicative of strong performance of all our businesses.

Breakups:

For the year, the largest contributor to turnover (71.7%), Domestic formulation at Rs.576.37 cr (Rs468cr) is up 23.7%. Total Exports, 17.1% of sales, at Rs146.95cr (Rs.140 cr) is up 5.3% Export of speciality bulk active was Rs.106.25cr (Rs106.99cr). Formulation exports, a high priority growth area for the company was Rs.39.77cr, a growth of 40.2% (last year Rs28cr).

For the 4th quarter, domestic formulation sales at Rs.161.79cr is up 46.9%(Rs.110cr), Total Exports Rs41.99cr (Rs36cr) and Exports of speciality bulk actives Rs29.54cr. (Rs.27cr). The domestic formulation sales include a special price supply of Rs350 mill, which is reflective of next month's sales. On a like to like basis, after accounting for this extra supply, domestic formulation sales is up 15.1%.

The bulk active turnover for the year reflects significant margin improvement after several regulatory approvals were received which enabled sales to US/Europe markets.

The company's efforts to reframe its export strategy, implementing a totally new business plan with a new team and a select product basket in each of its markets has begun to show results.

Caraco's q1 numbers:

Caraco posted sales of \$22mill and a PAT of \$mill for December2002. In quarter 1 of 2003, Caraco posted sales of \$8.7mill up 164% and PAT of \$2.2 mill, up 525%, with significant reduction in raw material cost due to improved sourcing, including several bulk actives sourced from Sun Pharma. Sun Pharma currently owns a 49.39% stake in Caraco, hence its numbers have been consolidated with that of the company using a line-by-line basis.

The Detroit, USA based Caraco Pharma Labs currently has 3 ANDAs filed and awaiting FDA approval. In the 2002 calendar year, the USFDA approved 6 ANDAs, taking to 10, the total number of ANDAs approved based on product development technology transferred from Sun Pharma.

International approvals:

The company's ISO9002 certified Panoli plant received Australian TGA approval, in addition to the European approvals received last year. The USFDA approved, ISO 9002 and ISO 14001 certified bulk active plant at Ahmednagar received 2 more approvals, for Metoprolol and metformin, and our associate company Caraco has begun to file for some of these. ISO certifications were received for the Ankleshwar and Chennai plants. 4 manufacturing sites won the prestigious IDMA awards-Ahmednagar, Halol, Silvassa 2 and Vapi , of these 2 were gold medals.

Rankings:

In an increasingly competitive marketplace, Sun Pharma continues to be ranked 5th with a significantly higher than industry growth rate (ORG Retail Chemist Audit March 2003). Market share is at 2.99%, up from 2.8% last year and 2.57% in 2001. (ORG Retail Chemist Audit Data March 2003, March 2002 and February 2001, all MAT).

As per the C MARC data for Nov 2002- Feb 2003, Sun Pharma continues to build on its lead across therapy areas and is ranked 1st with psychiatrists and 1st with neurologists. Among significant rank changes - the company ranked 6th with oncologists, up from 10th; and 11th with gynecologists, up from 18th. The company continues to maintain its 3rd rank with cardiologists, as well as gastroenterologists. The company is rated 6th with orthopedics, and 4th with ophthalmologist as well as, chest physicians. The company is ranked 7th overall among all companies according to C MARC.

Market Performance:

6 of Sun Pharma's speciality brands feature in the top 300 list of pharma brands (ORG Retail Chemist Audit, March 2003). 2 of the company's new launches feature among the list of the top 30 brands introduced in 2002. (data from ORG Retail Chemist Audit for 2002)

According to data from the ORG for March 2003, Sun Pharma ranked 5th in terms of new launches 38 new products, value Rs.12.01cr, 3.54%MS (last year 2nd, 37 new products, Rs.18.59cr. 5.67% new products MS).

New research sites, patents:

With the patent filings made by the IP team last year, the total number of patents submitted now stands at 61, with 16 more patents received. The company expects to begin operating Phase I of its new, state of the art, drug discovery campus built in Baroda by September 2003. This 16-acre site, housing 150 additional scientists will likely be commissioned middle of this year.

Another new site for expansion of the product development labs in Bombay, a 75,000 sq. ft R&D center to service the North American and European markets, will also commence operations-mid year. R&D expense for 2002-03 was Rs65cr for and estimates for 2003-04 are Rs75cr.

New manufacturing sites:

A new manufacturing site, at Jammu is under construction. A plant at Dadra, with total tableting capacity of 300cr tabs/ year, was commissioned. These have been formed as partnerships between Sun Pharma (95% stake) and Sun Pharma key employees benefit trust (5%) stake.

According to Dilip Shanghvi, Managing Director of the company, "The value we've built this year, with strong domestic market sales, strides in our research plans and steady gains in international markets, are achievements that we can be happy with."

Mira Desai, Corporate Communications

Phone :022-8212128/ /8230102/8211961 ext 243

E mail: miradesai@hotmail.com, corpcomm@sunpharma.com