

Sun Pharmaceutical Industries Ltd.
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FOR IMMEDIATE RELEASE

Sun Pharma reports a strong quarter

Net Sales Rs. 2658 crores, up 62%, Net Profit Rs.795 crores, up 59%

Mumbai, August 10, 2012: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the first quarter ending June 30th, 2012.

Highlights of Q1FY13 consolidated financials

- Net sales/Income from operations at Rs. 2658 crores, a growth of 62% over same quarter last year
- Branded generic sales in India, at Rs. 588 crores, fell by 8% over Q1 last year. This is on account of significantly higher sales in Q4 FY12. Adjusting for this, growth in sales is 20%
- US finished dosage sale is \$ 285 million, and grew by 105% (in \$ terms) over Q1 last year
- International formulation sales is \$ 68 million, and grew by 20% (in \$ terms) over same quarter last year
- EBITDA at Rs 1217 crores grew by 122% over Q1 last year; resulting EBITDA margin is 46%, compared to 33% in Q1 last year.
- Net profit is Rs. 795 crores, a growth of 59%; resulting net margin is 30%.

These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

During the quarter, there has been a refinement in the basis of computing the cost of materials consumed and changes in inventories. Had this refinement not been carried out, the profit for the quarter ended June 30, 2012 would have been higher by Rs. 75 crores.

Dilip Shanghvi, Managing Director of the Company said, "Over the years, we have focused on building a consistent, predictable and profitable business. The performance this quarter is once again a reflection of this strength. The year has begun well as we have reported strong underlying growth across all our business segments."

India Branded Generics – Building Chronic Therapy Leadership

Sale of branded prescription formulations in India is at Rs. 588 crores, down by 8% from Q1 last year. Lower reported growth this quarter is on account of higher sales in Q4 of last year. Adjusting for this, growth for the quarter is at 20% over comparable quarter last year.

Sun Pharma holds 4.6% market share in the Rs.65,300 crores pharma market, as per latest AIOCD-AWACS report. The company continues to be ranked no. 1 based on share of prescriptions with 6 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, and gastroenterologists.

9 key products were launched in the first quarter.

US Formulations: Strengthening the Foundation of Generic Business

Sales in the US is \$ 285 million for the first quarter of FY13, up by 105%, accounting for 57% of total sales. Sales of Caraco increased by 185% in Q1FY13 when compared to Q1FY12.

Taro recently posted first quarter FY13 sales of \$ 159 million, up 43% from the corresponding quarter last year. Net profit is \$ 63 million. R & D expense increased 47% to \$11.5 million.

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Taro has shared that it remains cautious of the increasing competition and consequential erosion of volume on some of its major products. This could result in significant challenges in maintaining its current performance. Owing to this, coupled with the impact of some non-recurring revenues for Sun Pharma and a depreciating rupee, consolidated EBITDA and net margins for the quarter may not be sustainable.

Lipodox sales continued in the current quarter. Remediation efforts at the Caraco facility in Detroit are ongoing.

Rest of World

Formulation sales in rest of the world markets outside of India and US accounted for \$ 68 million in Q1FY13 registering a growth of 20%. Excluding Taro sales outside US, underlying sales growth in \$ terms for Sun Pharma business in these markets is 45%.

Active Pharmaceutical Ingredients (API): Strategic strength

API business continues to expand and support the strategic vertical integration objective. A cumulative of 228 DMF / CEP applications have been made, with 162 approved so far. External sales of API, accounting for a minority of the overall API produced, reached Rs 200 crores in Q1FY13 registering a growth of 36% over the same quarter last year.

Research

Consolidated R&D expense for Q1 FY13 is Rs. 139 crores, or 5% of sales.

In the first quarter, ANDA for 1 product was filed. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 391 products have been filed by Sun Pharma and Taro with the USFDA (as on June 30, 2012). ANDAs for 6 products received approvals in the first quarter, taking the total number of approvals to 256 (as on June 30, 2012). ANDAs for 135 products now await USFDA approval, including 17 tentative approvals.

The total number of patent applications submitted now stands at 638, with 304 patents granted so far.

Business Rationalisation and Dividend

As a part of the proposed rationalization effective March 31, 2012 that was cleared by the board, the domestic formulations business will now operate within a wholly owned subsidiary of the company. This is with a view to enhance focus on the business and allow for quicker responses to competitive market conditions.

The Board's approval was also sought for the likely delay in presenting the accounts of 2011-12 to shareholders after this rationalisation. This is required in order to redraw accounts, and allow for audit of these revised accounts for the year ended March 31, 2012.

The Board also approved an interim dividend of Rs.4.25 per Share of Re.1 each for the year ended March 31, 2012 in lieu of the dividend recommended by the Board for the year ended 31st March, 2012, earlier. August 16, 2012, has been confirmed as the record date for the payment of such interim dividend. This interim dividend would be paid on or after August 22, 2012.

Earnings Call (10 am IST, August 11, 2012)

The Company will host an earnings call at 10 am IST on August 11, 2012, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

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Audio conference Participants can dial-in on the numbers below
Primary number: +91 22 6629 0088
Secondary number: +91 22 3065 0088

Playback of call: +91 22 30651212 ID: #786742

Web-cast More details will be provided through our website, www.sunpharma.com

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call.

The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

About Sun Pharma

Established in 1983, listed since 1994 and headquartered in India, Sun Pharma (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE:SUNPHARMA, BSE: 524715) is an international, integrated, speciality pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in India, US and several other markets across the world. In India, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, diabetology, gastroenterology, orthopedics and ophthalmology. The company has strong skills in product development, process chemistry, and manufacturing of complex API, as well as dosage forms. More information about the company can be found at www.sunpharma.com.

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KEY FINANCIAL PRESENTED IN MILLION USD

	Q1		Change	Full Year
	FY13	FY12		FY12
Key items of P&L				
Average Exchange rate : \$ 1 = Rs	54.00	44.68		47.87
Net Sales	492	366	34%	1,672
EBITDA	225	123	84%	682
Net Profit	147	112	31%	540
EBITDA margin	46%	33%		41%
Net Profit margin	30%	31%		32%