

FOR IMMEDIATE RELEASE

Sun Pharma reports Q3 results *Maintains strong profitability*

Mumbai, February 14, 2015: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for third quarter & nine months ending December 31st, 2014.

Highlights of Q3FY15 consolidated financials

- Net sales / Income from operations at Rs. 4,280 crores, flat over same quarter last year.
- Branded generic sales in India at Rs. 1,150 crores, up by 21% over Q3 last year.
- US finished dosage sales at US\$ 413 million down by 5% (in US\$ terms) over Q3 last year.
- International formulation sales outside US at US\$ 72 million down by 15% (in US\$ terms) over Q3 last year.
- EBITDA at Rs. 1,913 crores de-grew by 3%; resulting EBITDA margin of 45% versus 46% for Q3 last year.
- Net profit at Rs. 1,425 crores compared to Rs. 1,531 crores for Q3 last year, down 7% with resulting margin of 33%.

Highlights of 9m FY15 consolidated financials

- Net sales / Income from operations at Rs. 12,957 crores, a growth of 8% over the same period last year
- Branded generic sales in India at Rs. 3,294 crores, a growth of 20% over 9 months last year.
- US finished dosage sale at US\$ 1,283 million grew by 5% (in US\$ terms) over 9 months last year.
- International formulation sales outside US at US\$ 242 million (in US\$ terms), flat over 9 months last year.
- EBITDA at Rs. 5,798 crores grew by 9%; resulting EBITDA margin of 45%, same as for 9 months last year.
- Net profit for 9 months FY15 at Rs. 4,388 crores compared to Rs. 1,617 crores in 9 months last year. Net profit for 9 months last year includes a provision of Rs. 2,517 crores towards the generic Protonix litigation in the US. Adjusted for this provision, net profit for 9 months FY15 is up by 6% with resulting margin of 34%.

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

Dilip Shanghvi, Managing Director of the Company said, "Our Q3 performance reflects our ability to maintain strong profitability despite temporary supply constraints resulting primarily from the on-going compliance efforts. We are currently maintaining our FY15 sales guidance."

India Branded Generics – Chronic Therapy Leadership

Sale of branded prescription formulations in India for Q3FY15 was Rs. 1,150 crores, up by 21% from Q3 last year. For the 9 months, sales were at Rs. 3,294 crores, higher by 20% over same period last year. As per AIOCD-AWACS report, the average industry growth was approximately 10% for Q3FY15. Fifteen new products were launched in the Indian market during the 9 month period ended Dec-2014.

Sun Pharma is ranked 2nd and holds 5.5% market share in the Rs. 83,000 crore pharmaceutical market as per Dec-2014 AIOCD-AWACS report. It continues to be ranked no. 1 based on share of prescriptions with 7 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, nephrologists, and gastroenterologists.

US Formulations

Sales in the US were US\$ 413 million for the quarter, down by 5%, accounting for 59% of total sales. For the 9 months, sales were US\$ 1,283 million recording a growth of 5%. Sales for Q3 were impacted primarily due to temporary supply constraints arising from remediation efforts.

Taro recently posted Q3 FY15 sales of US\$ 238 million, up 11% from the corresponding quarter last year. For the 9 months, sales were US\$ 619 million, up by 8% over 9 months last year. Taro's net profit for Q3 was US\$ 143 million, up by 23% over Q3 last year. Net profit for 9 months FY15 was at US\$ 332 million, up by 23% over 9 months last year.

International ex-US formulation sales

Formulation sales in international markets excluding US accounted for US\$ 72 million in Q3FY15, registering a de-growth of 15% (in US\$ terms). Sales for Q3 were impacted primarily due to temporary supply constraints arising from remediation efforts. ROW sales for the 9 months were US\$ 242 million (in US\$ terms), flat over same period last year. Excluding ex-US Taro sales, Sun Pharma sales in these markets de-grew by 29% and by 4% for third quarter and 9 months FY15 respectively (in US\$ terms).

Active Pharmaceutical Ingredients (API): Strategic strength

We increased the API supply for captive consumption significantly for key products which enabled us to enjoy the benefits of strategic vertical integration. As a result, for Q3FY15, external sales of API were at Rs. 181 crores, a 4% growth over Q3 last year. For the 9 months, API sales decreased by 2% to Rs. 566 crores. A cumulative of 266 DMF/CEP applications have been made, with 178 approved so far.

Research – Investing for future

Consolidated R&D expense for Q3 FY15 was Rs. 389 crores, or 9% of sales. This includes significant investments on account of funding the clinical development of Tildrakizumab, the psoriasis monoclonal anti-body recently in-licensed from MSD (US). For 9 months, R&D spend was Rs. 958 crores at 7% of sales.

We now have a comprehensive product offering in the US market with approved ANDAs for 358 products while filings for 131 products await US FDA approval, including 11 tentative approvals. In the 9 months, ANDAs for 19 products were filed and 14 approvals were received.

The total number of patent applications submitted now stands at 586 with 345 patents granted so far.

Ranbaxy Acquisition – Status Update

In April-2014, Sun Pharma had proposed the acquisition of Ranbaxy Laboratories Ltd in an all-stock deal valued at an Enterprise Value of about US\$ 4 billion. This acquisition requires approvals from multiple regulatory agencies and the respective shareholders of both the companies. Most of these approvals have been received. The approval of the Hon'ble High Court of Punjab and Haryana is pending. Both Sun Pharma and Ranbaxy will also have to meet the pre-conditions required as per the order of the Competition Commission of India and the US FTC.

Sun Pharmaceutical Industries Ltd.
17/B, Mahal Industrial Estate,
Mahakali Caves Road,
Andheri (East), Mumbai 400 093 India
Tel.: (91-22) 6645 5645 Fax.: (91-22) 6645 5685
CIN: L24230GJ1993PLC019050
www.sunpharma.com



Earnings Call (06.30 pm IST, February 14, 2015)

The Company will host an earnings call at 06.30 pm IST on February 14, 2015, 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.

Audio conference Participants can dial-in on the numbers below
Primary number: +91 22 3960 0899
Secondary number: +91 22 6746 8324

Playback of call: +91 22 3065 2322 Conference 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 Pharmaceutical Industries Ltd.

Established in 1983, listed since 1994 and headquartered in India, Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) is an international specialty pharmaceutical company with over 75% sales from global markets. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in US, India and several other markets across the world. For the year ending March 2014, overall revenues were at US\$2.7 billion, of which US contributed US\$1.6 billion. In India, the company is a leader in niche therapy areas of psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopedics, and ophthalmology. The company has strong skills in product development, process chemistry, and manufacturing of complex dosage forms. More information about the company can be found at www.sunpharma.com.

Contacts

Nimish Desai
Tel +91 22 6645 5645, Xtn 5717
Tel Direct +91 22 66455717
Mobile +91 98203 30182
E mail nimish.desai@sunpharma.com

Frederick Castro
Tel +91 22 6645 5645, Xtn 5964
Tel Direct +91 22 66455964
Mobile +91 99206 65176
E mail frederick.castro@sunpharma.com