



FOR IMMEDIATE RELEASE

**Strong US growth on the back of first to file opportunities
Robust Growth in India
Q4 Sales growth 129%, Profit Increased 225%**

Mumbai, May 30, 2008 : Sun Pharmaceutical Industries Ltd. reported an exceptional performance for the fourth quarter and financial year ending March 31, 2008. There is significant one time sales and profit in these financials.

Highlights of Q4 consolidated financials

- Net sales increased 129% to Rs. 12,572 million, from Rs. 5,485 million in Q4 FY07
- US generics sales increased 433%
- International dosage form sales (including Caraco) grew at 319%
- EBITDA margin increased to 59%
- Net profit was at Rs. 7,228 million, which is an increase of 225% compared to Q4 last year

Highlights of April 07 - March 08 consolidated financials

- Net sales were Rs. 33,565 million, a 57% increase from Rs 21,359 million in the full financial year of FY07
- International business grew 96%
- US generic sales increased 167%
- EBITDA margin increased to 47% from 32% for last year
- Net profit was at Rs. 14,869 million, an increase of 90% over the previous year. Net margin at 45% for FY08 was considerably higher than last year, on the back of exceptional US sales

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

According to Dilip Shanghvi, Chairman and Managing Director of the Company, "This year's numbers reflect the strong potential we see in generics the world over. Our Indian business, based on invaluable customer relationships, continues to post strong numbers. We've always been enthused by the US generic space, and numbers this year justify this confidence. We've achieved higher than expected sales and profit, built one of the strongest product pipelines, and begun to take calculated risks. This quarter, we've begun to see value creation from our intellectual property and NDDS capability. Our US performance complements strong numbers across all our business segments. All in all, it's been a good year."

Domestic formulations- Consistent growth

Sales of domestic formulations, speciality prescription brands sold in India, were at Rs. 14,762 million, a growth of 25% over the last year, contributing 43% of total sales. For the fourth quarter, domestic formulations sales increased by 16%.

Sun Pharma holds 3.3% market share in the highly competitive pharma market, as per latest IMS ORG report. 37 key products were launched during the year.

US Generics

With generic Protonix and Ethyol, this year saw the first of "at-risk" launches. These launches had a one-off effect on our US generic sales and profits. The Company has a will-not-sue covenant on generic Effexor XR, and expects to launch the product after USFDA approval. With these approvals and the approvals we've now begun to get from the acquired sites, the momentum in the US generic business will likely continue to build.

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Between Sun Pharma and our US subsidiary Caraco Pharma, ANDAs for 53 products are now approved compared to 29 at the end of 2007. For the year, ANDAs for 48 products have been filed, of which 41 were filed from Sun Pharma and 7 from Caraco. With this, ANDAs for 89 products await USFDA approval, including 8 tentative approvals; this is one of the strongest pipelines amongst all generic companies.

On account of product exclusivities, Caraco recently announced Q4 sales of USD 192 million, up 487% from USD 33 million for Q4 FY07. For FY08, sales reached USD 350 million growing 199% over last year. Caraco recorded a net income of USD 35 million for FY08.

Research

Consolidated R&D expense for Jan- Mar 08 is Rs 826 million and for the year to March 08 is Rs 2,990 million. This translates into 9% of net sales for FY08.

A cumulative of 101 DMF / CEP applications made with 51 approved till Mar 08. The total number of patents applications submitted for Sun Pharma now stands at 215 with 59 patents granted.

Update on Taro

On May 28th, Taro sent Sun Pharma a notice for the purported termination of the merger agreement. Amongst the reasons it has stated, was the fact that \$10.25 per share, the price Sun Pharma would have offered after due board clearance, was too low in view of the dramatic turnaround at Taro, its future business plans, its pipeline and advice from its advisors.

Sun Pharma has responded to the letter, stating that Taro is not entitled to terminate the merger as per the terms of the agreement. Sun Pharma remains skeptical of Taro's claims of a turnaround. Taro has only USD 47 million in cash as of March 31, 2008. In our opinion, if not for Sun Pharma's cash injections of approx USD 60 million last year, Taro would have virtually negative cash - hardly the "dramatic" improvement of which Taro has boasted.

While Sun Pharma has made every effort to fulfill its obligations under the Merger Agreement, Taro has failed to honor its side of the bargain and take all necessary action to consummate the merger. Further, Taro has ignored all attempts to discuss, and put forward to Taro's shareholders, an increase in the merger consideration in order to complete the transaction.

Sun Pharma will now consider all of its options, and believes that a merger at USD 10.25 per share after Sun Pharma's board recommends it, is in the best interests of all Taro shareholders.

Earnings call

The Company will conduct an hour long call at 6:30 pm IST on May 30, 2008 where senior management will discuss the Company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below five to ten minutes ahead of the scheduled start time. The dial-in numbers for the call are +91 22 6629 0101, +91 22 3065 1010 and +91 22 4039 2525. The operator will provide instructions on asking questions before the call. You can also hear the call via an audio webcast, details of which are available on the Company website, www.sunpharma.com. A replay of this call will be available till June 4, 2008. The transcript of the conference call will also be available on the website.

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, 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, and orthopedics. 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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