



FOR IMMEDIATE RELEASE

Sun Pharma reports a strong quarter

Net Sales Rs. 4192 crores, up 58%, EBITDA Rs. 1828 crores, up 57%

Net Profit Rs. 1362 crores

Mumbai, November 13, 2013: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for second quarter & half year ending September 30th, 2013.

Highlights of Q2 FY14 consolidated financials

- Net sales / Income from operations at Rs. 4192 crores, a growth of 58% over same quarter last year.
- Branded generic sales in India at Rs. 949 crores, up by 17% over Q2 last year.
- US finished dosage sale at US\$ 419 million grew by 74% (in US\$ terms) over Q2 last year.
- International formulation sales at US\$ 79 million grew by 17% (in US\$ terms) over same quarter last year.
- Overall international revenues accounted for more than 75% of total revenues for the quarter.
- EBITDA at Rs. 1828 crores grew by 57%; resulting EBITDA margin of 44%, same as Q2 last year.
- Net profit at Rs. 1362 crores compared to Rs. 320 crores for Q2 last year. Net profit for Q2 last year includes a provision of Rs. 584 crores towards the generic Protonix litigation in the US. Adjusted for this provision, net profit for Q2FY14 is up by 51% with resulting margin of 33%.

Highlights of H1FY14 consolidated financials

- Net sales / Income from operations at Rs. 7674 crores, a growth of 44% over the same period last year
- India branded generic sales at Rs. 1798 crores, a growth of 29% over H1 last year. Normalizing for lower sales in Q1FY13, adjusted growth at 14% for first half.
- US finished dosage sale at US\$ 783 million grew by 49% (in US\$ terms) over H1 last year.
- International formulation sales at US\$ 160 million grew by 18% (in US\$ terms) over H1 last year.
- EBITDA at Rs. 3359 crores grew by 41%; resulting EBITDA margin of 44%, compared to 45% in H1 last year
- Net profit for H1FY14 at Rs. 86 crores compared to Rs. 1115 crores in H1 last year. These include provision of Rs. 2517 crores and of Rs. 584 crores respectively, both related to generic Protonix litigation in the US.
- Adjusted for these provisions, recurring net profit for H1FY14 at Rs. 2604 crores, up 53% over H1 last year; 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, "The performance of all our businesses exceeded our plans. We continue to develop a differentiated and specialty driven product basket. We also continue to review opportunities to expand and strengthen our global footprint."

India Branded Generics –Chronic Therapy Leadership

Sale of branded prescription formulations in India was Rs. 949 crores, up by 17% from Q2 last year. For the first half, sales were at Rs. 1798 crores, higher by 29% over same period last year. Normalizing for lower sales in Q1FY13, adjusted growth was at 14% for first half.

Sun Pharma is ranked 2nd and holds 5.2% market share in the Rs.72,000 crore pharma market, as per Sep-2013 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: Strong Performance led by Sun portfolio

Sales in the US were US\$ 419 million for Q2 FY14, up by 74%, accounting for 61% of total sales. For the first half, sales were US\$ 783 million recording a growth of 49%.

Taro recently posted Q2 FY14 sales of US\$ 205 million, up 28% from the corresponding quarter last year. For the first half, sales were US\$ 358 million, up by 12% over first half last year. Taro's net profit for Q2 was US\$ 96 million, up by 47% over Q2 last year. Net profit for H1FY14 was at US\$ 155 million, up by 21% over first half last year.

During the quarter, Sun Pharma's subsidiary launched generic Prandin in the US Market. Being the First-to-File Para-IV filer, it is entitled to 180 days of marketing exclusivity for this product in the US market.

Rest of World – Growth continues

Formulation sales in rest of the world (ROW) markets outside of India and US accounted for US\$ 79 million in Q2FY14 registering a growth of 17% (in US\$ terms). ROW sales for the first half were US\$ 160 million, growing at 18% (in US\$ terms). Excluding ex-US Taro sales, underlying sales growth in US\$ terms for Sun Pharma business in these markets was 16% for the second quarter and 20% for the first half.

Active Pharmaceutical Ingredients (API): Strategic strength

The API business continues to grow, and largely be used for vertical integration on key products. A cumulative of 247 DMF / CEP applications have been made, with 172 approved so far. External sales of API, accounting for a fraction of the total API production, reached Rs. 212 crores in Q2FY14 registering a growth of 20% over Q2 last year. API sales were up 8% to Rs. 405 crores for the first half.

Research – Investing for future

Consolidated R&D expense for Q2 FY14 was Rs. 223 crores, or 5.3% of sales. For H1, R&D spend was Rs. 428 crores at 5.6% of sales.

In the second quarter, ANDA for 10 products were filed. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 463 products have been filed with the USFDA (as on September 30, 2013). ANDAs for 9 products received approvals in the second quarter, taking the total number of approvals to 333 (as on September 30, 2013). ANDAs for 130 products now await USFDA approval, including 15 tentative approvals.

The total number of patent applications submitted now stands at 789, with 506 patents granted so far.

Revised Guidance for FY14

Consolidated FY14 revenue growth guidance revised to 25% compared to previous guidance of 18-20%. The revised guidance takes in to account the performance achieved in H1FY14 as well the risks associated with increase in competition for some products. Guidance is at constant exchange rate.

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Earnings Call (10.30 am IST, November 14, 2013)

The Company will host an earnings call at 10.30 am IST on November 14, 2013, 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 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 Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) is an international specialty pharmaceutical company with over 72% 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 2013, overall revenues were at US\$2.1 billion, of which US contributed US\$1.1 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.

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