

FOR IMMEDIATE RELEASE

Sun Pharma reports Q1FY17 results

Gross Sales at Rs. 8,007 crores, up 23%

Net Profit at Rs. 2,034 crores

Mumbai, August 12, 2016: Sun Pharma (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715, Sun Pharmaceutical Industries Ltd and includes its subsidiaries or associate companies) reported financials for first quarter ending June 30th, 2016.

Highlights of Q1FY17 consolidated financials**

- Sales / Income from operations at Rs. 8,007 crores, a growth of 23% over same quarter last year.
- India sales at Rs. 1,854 crores, up by 8% over Q1 last year.
- US finished dosage sales at US\$ 609 million up by 25% over Q1 last year. US sales include the benefit of the 180-day exclusivity for Imatinib which commenced from 01-Feb-2016.
- Emerging Markets sales at US\$ 154 million up by 16% over Q1 last year.
- Rest of World sales at US\$ 84 million de-growth of 7.3% over Q1 last year.
- R&D investments at Rs. 531 crores or 6.6% of sales compared to Rs. 511 crores or 7.8% of sales for Q1FY16.
- EBITDA at Rs. 2,685 crores, resulting EBITDA margin of 33.5%.
- Net profit for the quarter was at Rs. 2,034 crores, resulting Net profit margin of 25.4%. Net profit grew by 266% over Q1 last year. Net profit for 1QFY16 was adversely impacted by one-time items as well as exceptional charges of Rs. 685 crores.

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, "We continue to accrue synergies from the Ranbaxy acquisition while simultaneously investing in building the specialty business in the US. During the quarter, we progressed further in our specialty initiatives by announcing positive results from the Phase-3 trials of Tildrakizumab as well as approval of BromSite in the US. In continuation of our focus on expanding the specialty footprint, post the close of the quarter, we entered into a licensing agreement with Almirall S.A (Spain), a leading European dermatology company, for the development and commercialization of Tildrakizumab for psoriasis in Europe."

India Business – Market Leadership

Sale of branded formulations in India for Q1FY17 was Rs. 1,854 crores, up 8% despite the combined effect of multiple regulatory changes which adversely impacted overall industry growth. This business accounted for 23% of total sales. Sun Pharma is ranked No. 1 and holds approximately 8.7% market share in the Rs. 100,000 crore pharmaceutical market as per June-2016 AIOCD-AWACS report.

As per latest SMSRC report, Sun Pharma is ranked no. 1 based on share of prescriptions with 12 classes of doctors. For Q1FY17, 15 new products were launched in the Indian market.

*** The Company has adopted Indian Accounting Standards (Ind AS) from 01-April-2016 and hence the financials have been prepared according to the principles of Ind AS. To facilitate a like-to-like comparison, the financials for the previous quarter ended June 2015 (i.e. 1QFY16) have been restated as per principles of Ind AS. As per requirements of Ind AS, sales are now reported on gross basis and hence margins are also calculated on gross sales.*

US Formulations

Sales in the US were US\$ 609 million for the quarter, a growth of 25% over same period last year and accounted for 51% of total sales. Sales for the quarter were boosted primarily due to the benefit of the 180-day exclusivity for Imatinib which commenced from 01-Feb-2016.

At the same time, Taro posted Q1 FY17 sales of US\$ 234 million, up 9% over Q1 last year. Taro's net profit for Q1 was US\$ 110 million, up by 6% YoY.

Emerging Markets

Our sales in emerging markets were at US\$ 154 million for Q1; a growth of 16% compared to the same period last year and accounted for 13% of total sales. The growth is broad-based amongst emerging markets.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 84 million in Q1FY17, a de-growth of 7.3% from the corresponding quarter last year. ROW markets accounted for approximately 7% of revenues for Q1FY17.

Active Pharmaceutical Ingredients (API): Strategic strength

Benefits from vertical integration impart strategic importance to our API business. We continue to increase the API supply for captive consumption significantly for key products. For Q1FY17, external sales of API were at Rs. 470 crores, up by 73% over Q1 last year. A large part of the growth was driven by the consolidation of the opiates business in Australia.

Research – Investing for future

Consolidated R&D expense for Q1FY17 was Rs. 531 crores, or 6.6% of sales compared to Rs. 511 crores or 7.8% of sales for Q1 last year. This R&D expenditure includes investments on account of funding the clinical development of our specialty pipeline including Tildrakizumab.

Our comprehensive product offering in the US market consist of with approved ANDAs for 417 products while filings for 150 products await US FDA approval, including 15 tentative approvals. For the quarter, 1 ANDA was filed and 7 approvals were received.

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Earnings Call (06.30 pm IST, August 12, 2016)

The Company will host an earnings call at 06.30 pm IST on August 12, 2016, 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 & +91 22 6181 3322, Conference ID: 61080

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. (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fifth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable us to deliver quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients in over 150 countries across the world. Sun Pharma's global presence is supported by 47 manufacturing facilities spread across 6 continents, R&D centres across the globe and a multi-cultural workforce comprising over 50 nationalities. The consolidated revenues for 12 months ending March 2016 are approximately US\$ 4.3 billion, of which US contributes US\$ 2.1 billion. In India, the company enjoys leadership across 12 different classes of doctors with 30 brands featuring amongst top 300 pharmaceutical brands in India. Its footprint across emerging markets covers over 100 markets and 6 markets in Western Europe. Its Global Consumer Healthcare business is ranked amongst Top 10 across 4 global markets. Its API business footprint is strengthened through 14 world class API manufacturing facilities across the globe. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities comprising about 2,000 scientists and R&D investments of over 8% of annual revenues. For further information please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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