

**FOR IMMEDIATE RELEASE**

## **Sun Pharma reports a strong quarter**

*Net Sales Rs. 2657 crores, up 40%, Recurring Net Profit Rs. 903 crores, up 51%*

Mumbai, November 8, 2012: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BODRA, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the second quarter ending September 30<sup>th</sup>, 2012.

### **Highlights of Q2 FY13 consolidated financials**

- Net sales / Income from operations at Rs. 2657 crores, a growth of 40% over same quarter last year.
- Branded generic sales in India at Rs. 810 crores, up by 15% over Q2 last year. This is after factoring in significantly higher sales of Q4 FY12, which impacted Q1 and, marginally, Q2 sales.
- US finished dosage sale at \$ 244 million grew by 38% (in \$ terms) over Q2 last year
- International formulation sale at \$68 million grew by 21% (in \$ terms) over same quarter last year
- EBITDA at Rs. 1168 crores; resulting EBITDA margin of 44%, compared to 41% in Q2 last year.
- Recurring net profit at Rs 903 crores witnessed a growth of 51% over Q2 last year; resulting margin of 34%
- Net profit at Rs. 320 crores, on account of a provision of Rs 584 crores towards potential damages in respect of patent infringement litigation related to generic versions of 'Protonix'.

### **Highlights of H1FY13 consolidated financials**

- Net sales / income from operations at Rs 5315 crores, a growth of 51% over the same period last year
- India branded generic sales at Rs 1398 crores, a growth of 4% over H1 last year. Normalizing for lower sales in Q1FY13, adjusted growth at 19% for first half
- US finished dosage sale at \$ 526 million grew by 68% (in \$ terms) over H1 last year.
- International formulation sales at \$ 136 million grew by 21% (in \$ terms) over H1 last year.
- EBITDA at Rs. 2385 crores; resulting EBITDA margin of 45%, compared to 38% in H1 last year
- Recurring net profit at Rs 1699 crores witnessed a growth of 55% over first half last year; resulting margin of 32%
- Net profit at Rs. 1115 crores, on account of a provision mentioned above.

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

Dilip Shanghvi, Managing Director of the Company said, "All Sun Pharma businesses - India, US and ROW - continue to demonstrate good growth, in line with our expectations. As a company with proven development capabilities in complex products and technologies, and with world class manufacturing, we are well positioned to make the best of opportunities in worldwide markets. We shall strive to remain focused on execution and building a business with consistent performance."

### **India Branded Generics –Chronic Therapy Leadership**

Sale of branded prescription formulations in India was Rs. 810 crores, up by 15% from Q2 last year. For the first half, sales were at Rs.1398 crores, higher by 4% over same period last year. Normalising low Q1 sales, growth over the first half last year was 19%.

Sun Pharma is ranked 3<sup>rd</sup> and holds 4.7% market share in the Rs.65,000 crore 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.

15 key products were launched in the first half.



## **US Formulations: Strong Performance, Caraco in compliance**

Sales in the US were \$ 244 million for Q2 FY13, up by 38%, accounting for 49% of total sales. For the first half, sales were \$ 526 million showing a growth of 68%.

Taro recently posted Q2 FY13 sales of \$ 161 million, up 16% from the corresponding quarter last year. For the first half, sales were \$ 320 million. Net profit for Q2 was \$ 65 million, and \$ 128 million for the first half. Both for the second quarter and the half year, volumes declined marginally.

Lipodox sales continued in the current quarter, but are expected to taper following the return of the branded product to the market.

During the quarter, Caraco resumed manufacturing at its facilities in Michigan after the USFDA determined Caraco to be in compliance with relevant paragraphs of the Consent Decree.

During the quarter, a provision has been made of Rs. 584 crores on a consolidated level towards potential damages in respect of patent infringement litigation related to generic versions of Protonix. While this has been done primarily from the perspective of prudent accounting, Sun Pharma continues to believe that it has sound reasons to disagree with the overstated claims of Wyeth, and also continues to believe that the patent is invalid and unenforceable and will pursue all available legal remedies including appeals.

## **Rest of World**

Formulation sales in rest of the world (ROW) markets outside of India and US accounted for \$ 68 million in Q2FY13 registering a growth of 21% (in \$ terms). ROW sales for the first half were \$ 136 million, also growing at 21% (in \$ terms). Excluding ex US Taro sales, underlying sales growth in \$ terms for Sun Pharma business in these markets was 34% for the second quarter and 40% for the first half.

## **Active Pharmaceutical Ingredients (API): Strategic strength**

API business continues to grow, and largely be used for vertical integration on key products. A cumulative of 229 DMF / CEP applications have been made, with 163 approved so far. External sales of API, accounting for a fraction of the total API production, reached Rs 176 crores in Q2FY13 registering a growth of 10% over Q2 last year. API sales were up 22% to Rs 615 crores for the first half.

## **Research**

Consolidated R&D expense for Q2 FY13 was Rs. 145 crores, or 5.5% of sales. For H1, R&D spend was 5.3% of sales.

In the second quarter, ANDA for 4 products were filed. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 395 products have been filed by Sun Pharma and Taro with the USFDA (as on September 30, 2012). ANDAs for 3 products received approvals in the second quarter, taking the total number of approvals to 256 (as on September 30, 2012). ANDAs for 136 products now await USFDA approval, including 17 tentative approvals.

The total number of patent applications submitted now stands at 645, with 304 patents granted so far.

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



## Revised Sales Growth Guidance

Based on the performance in the first half, sales growth guidance for FY13 is revised upwards to 30-32% over the reported FY12 sales.

## Earnings Call (10 am IST, November 9, 2012)

The Company will host an earnings call at 10 am IST on November 9, 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.

*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](http://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](http://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](http://www.sunpharma.com).

## Contacts

### Mira Desai

Tel +91 22 6645 5645, Xtn 606  
Tel Direct +91 22 66455606  
Mobile +91 98219 23797  
E mail [mira.desai@sunpharma.com](mailto:mira.desai@sunpharma.com)