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Sun Pharma reports financials for Q1FY12

Sales Rs 1636 crores, Net Profit Rs 501 crores

Mumbai, July 28, 2011: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported numbers for the quarter ending June 30, 2011.

Highlights of Q1FY12 consolidated financials

- Net sales / income from operations at Rs 1636 crores, registering a growth of 20% over same quarter last year.
- India branded generic sales at Rs 638 crores, excluding third party manufacturing business, grew by 18% over Q1 last year
- US finished dosage sale at \$ 139 million.
- International formulation sales at \$ 56 million, now includes Taro sale outside US.
- EBITDA margin at 34%.
- Net profit at Rs 501 crores, equivalent to 31% net margin.

Taro financials have been consolidated this quarter though not included in first quarter of FY11. Last year first quarter financials also include significant components of non-recurring sales and profits from a few products. As a result, margins reported this quarter are not comparable to those of Q1FY11.

These 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, "Performance in the first quarter is largely in line with our expectations to achieve the guidance announced earlier for 2011-12. Building a sustainable business with predictable cash flows has been our key focus to ensure the longer term success, as is borne out by these financials. This performance provides a foundation as the business looks at growth organically and through acquisitions."

India Branded Generics – Consistency in performance

Sale of branded prescription formulations in India was at Rs 638 crores for the first quarter, registering a growth of 12% over the same quarter last year and accounting for 39% of total sales. Excluding third party business which has been discontinued, underlying growth is 18%.

Sun Pharma holds 4.4% market share in the highly competitive pharma market, as per latest AIOCD report. Overall, the company is ranked no. 1 based on share of prescriptions with 6 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedics and gastroenterologists.

7 key products were launched during the quarter.

US Formulations – Work continues

Sale of finished dosage products in the US was at \$ 139 million in the first quarter of FY12 accounting for 37% of total sales. First quarter financials of last year include significant sales from generic Eloxatin® which is currently not being sold. On the other hand, Taro financials are included in the current quarter financials but are not included in the last year first quarter financials.



Taro

Taro recently announced its unaudited financials for the Apr-Jun quarter. Net sales for Apr-Jun quarter is at \$ 112 million, a growth of 14% over same period last year, while the net profit for the quarter is at \$ 36 million, significantly higher when compared to the same quarter last year. On June 29, 2011, Taro filed its 20-F for 2010.

Caraco

At a meeting on June 14, 2011, the shareholders of Caraco Pharmaceutical Laboratories, Ltd. approved resolutions by which Caraco is now a wholly owned subsidiary of Sun Pharma. Remediation efforts at the Caraco facility in Detroit and the Sun Pharma Industries, Inc facility in New Jersey are ongoing.

Rest of the World Formulations

Sale of generic formulations in markets outside of India and US accounted for \$ 56 million in Q1FY12. Taro sales outside US are included in the current quarter but not in Q1 of last year. Excluding this, underlying sales growth is in excess of 20% across the two quarters.

Research – Investing for future

Consolidated R&D expense for Q1 FY12 is 93 crores, or 6% of sales.

In the first quarter, ANDAs for 6 products have been filed, 4 by Sun Pharma (now includes Caraco) and 2 by Taro. Counting these, cumulatively ANDAs for 383 products have been filed by Sun Pharma and Taro with the USFDA. ANDAs for 7 products received approvals in the first quarter taking the total number of approvals to 232. Counting these, ANDAs for 151 products now await USFDA approval, including 19 tentative approvals.

A cumulative of 209 DMF / CEP applications have been made, with 132 approved so far. The total number of patent applications submitted now stands at 551 with 250 patents granted so far.

Recent Product Approvals

Earlier this week, USFDA granted approvals to ANDAs for generic Gemzar®, gemcitabine for injection USP, 200 mg/vial and 1 g/vial and for generic Diuril®, chlorothiazide sodium for injection USP, 500 mg (base)/single-dose vial.

Earnings Call (10 am IST, July 29, 2011)

The Company will host an earnings call at 10 am IST on July 29, 2011 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 6629 5929. 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.

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The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

Eloxatin® is a registered trademark of Sanofi Aventis US LLC. Gemzar® is a registered trademark of Eli Lilly & Co. Diuril® is a registered trademark of Merck & Co.

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.

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