



**FOR IMMEDIATE RELEASE**

## **A quarter of all-around strong growth Sales up 66%, Profit up 121%**

Mumbai, July 28, 2008: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE:SUNPHARMA, BSE: 524715) reported a quarter of strong growth for the first quarter ending June 30, 2008. There is significant one-time sales and profit component in these financials linked to the sales of products that enjoy limited duration marketing exclusivity in the US.

### **Highlights of Q1FY09 consolidated financials**

- Net sales increased 66% to Rs. 10,418 million, from Rs. 6,275 million in Q1 FY08
- US generics sales increased 206% over same quarter last year
- International sales grew at 134% over Q1 FY08; contribute 57% of total sales
- Operating margin (EBIT) increased to 49%
- Net profit at Rs. 5,015 million is an increase of 121% compared to Q1 last year

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, "This year has begun on a good note, with performance in line with our expectations. Despite a challenging macro-economic environment, and the necessity for consolidation increasingly being felt within the global generic pharma industry, our business is well positioned to deliver consistent growth and profitability. Our generic business in the US and the branded generic businesses in India and rest-of-the-world continue to post steady numbers justifying the investments we have made towards products, brands, customers and facilities. In all, we are in for a year of strong numbers across all our business segments."

### **India formulations - Consistent growth**

Sales of domestic branded formulations were at Rs. 4,296 million for the first quarter, a growth of 17% over the same quarter last year, contributing 40% of total sales.

Sun Pharma holds 3.4% market share in the highly competitive pharma market, as per latest IMS ORG report. 7 key products were launched during the quarter.

### **US Generics**

Sun Pharma continues to sell generic Protonix and Ethylol, products that were Company's "at-risk" launches. This quarter too, these launches had a one-off effect on the US generic sales and profits.

Sun Pharma subsidiary, Caraco Pharmaceutical Industries, Ltd (Amex: CPD), recently announced Q1 FY09 sales of USD 108 million, up 206% from USD 35 million for Q1 FY08. Caraco recorded a net income of USD 9 million for Q1 FY09.

Between Sun Pharma and Caraco Pharma, ANDAs for 56 products are now approved. For the quarter, ANDAs for 5 products have been filed, all from Sun Pharma. ANDAs for 3 products each from Sun Pharma and Caraco have been approved this quarter. With this, ANDAs for 88 products await USFDA approval, including 8 tentative approvals. This pipeline is expected to power the US generic business in the years ahead.

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## Research

Consolidated R&D expense for Q1 09 is Rs 742 million. This translates into 7% of net sales for Q1 09.

A cumulative of 102 DMF / CEP applications have been made, with 52 approved so far. The total number of patent applications submitted for Sun Pharma now stands at 225 with 68 patents granted so far.

## Update on Taro

We remain committed to completing the rightful acquisition of Taro. Subsequent to the May 28<sup>th</sup> notice from Taro to Sun Pharma for the purported termination of the merger agreement, Sun Pharma has exercised the Option under its Option Agreement to acquire all the shares held by the controlling shareholders of Taro Pharmaceuticals Industries Limited (Taro), at USD 7.75 per share. Further, in compliance with the Option Agreement, a Tender Offer at USD 7.75 per share has been commenced for all ordinary shares of Taro. This Tender Offer, originally scheduled to expire on July 28<sup>th</sup>, has been extended till Sept 2<sup>nd</sup> on the recommendation of the Judge of the Tel Aviv District Court accepted by all parties to the litigation. This extension will allow the court to rule on the merits of the litigation commenced against Alkaloida (a Sun subsidiary) and its affiliates by Taro and certain of its directors regarding the applicability of the special tender offer rules under the Israeli Companies Law to the Tender Offer.

Sun Pharma has filed an action in the Supreme Court of the State of New York against Taro and its full Board of Directors. The action asserting fraud claims against Taro and its Directors asks the Court to order the controlling shareholders to honor their promises under the Option Agreement. In addition, Sun Pharma asked for an order declaring that the Merger Agreement was not properly terminated.

## Earnings call

The Company will conduct an hour long call at 10.00 am IST on July 29, 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. A replay of this call will also be available till 5 August, 2008 (ID 786742 # +91 22 3065 1212.) You can also hear the call via an audio webcast, details of which are available on the Company website, [www.sunpharma.com](http://www.sunpharma.com). The transcript of the conference call will be put up 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](http://www.sunpharma.com).

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