



FOR IMMEDIATE RELEASE

Sun Pharma continues strong performance

Q2FY09: Net sales up 76%, Net profit up 135%

Mumbai, October 25, 2008: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE:SUNPHARMA, BSE: 524715) reported strong growth for the second quarter ending Sep 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 Q2 FY09 consolidated financials

- Net sales increased 76% to Rs. 11,778 million, from Rs. 6,679 million in Q2 FY08
- US generics sales increased by 195% over the second quarter last year to USD 122 million
- International sales grew at 141% over Q2 FY08
- Operating margin (EBIT margin) increased to 43%
- Net profit at Rs. 5,128 million is an increase of 135% compared to Q2 last year

Highlights of H1 FY09 consolidated financials

- Net sales increased 71% to Rs. 22,196 million, from Rs. 12,954 million in H1 FY08
- US generics sales increased 200% over same half last year
- International sales grew at 138% over Q1 FY08; contribute 59% of total sales
- Operating margin (EBIT) increased to 46%
- Net profit at Rs. 10,142 million is an increase of 128% compared to H1 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, "We've had strong performance across all our business segments. Our generic business in the US, the branded prescription businesses in India and international markets continue to post steady growth. This performance validates our belief in the potential for these markets and the investments we have made in setting up, nurturing and expanding these businesses."

India formulations – Leadership through focus

Sales of branded prescription formulations in India were at Rs. 4,473 million for the second quarter, a growth of 20% over the same quarter last year, contributing 37% of total sales. For the first half, domestic formulation sales were at Rs. 8,769 million, an increase of 19% over first half last year.

Sun Pharma holds 3.4% market share in the highly competitive pharma market, as per latest IMS ORG report. 9 key products were launched during the quarter, taking the total for H1 to 16.

US Generics – Profitable growth in a tough market

Sun Pharma continues to sell generic Protonix and Ethylol, products that were Company's "at-risk" launches. This quarter and half year 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 Q2 FY09 sales of USD 122 million, up 195% from USD 41 million for Q2 FY08. Caraco recorded a net income of USD 8.4 million for Q2 FY09. For the first half, Caraco reported sales of USD 230 million and net income of USD 18 million.

Between Sun Pharma and Caraco, ANDAs for 61 products are now approved. In the second quarter, ANDAs for 10 products have been filed, of which 7 are from Sun Pharma, and 3 from Caraco. With this, in the first half ANDAs for a total of 15 products have been filed. During the second quarter, ANDAs for 3 products from Sun Pharma

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have been approved. Counting this, ANDAs for 96 products now await USFDA approval, including 7 tentative approvals. This pipeline is expected to build revenues for our US generic business in the years ahead.

Research – Building the future

Consolidated R&D expense for Q2 FY09 is Rs 884 million, or 7.5% of net sales. For the first half, the consolidated R&D expense is Rs. 1,626 million, or 7.3% of net sales.

A cumulative of 117 DMF / CEP applications have been made, with 61 approved so far. The total number of patent applications submitted for Sun Pharma now stands at 228 with 72 patents granted so far.

Update on Taro

Sun Pharma has been successful in its defense of the litigation brought against it in the Tel-Aviv District Court by Taro and certain of its directors. Honorable Judge Dr. Michal Agmon-Gonen J. of the The Tel-Aviv District Court rejected Taro's contention that Sun Pharma should have conducted a "special tender offer" under Israeli Law. The plaintiffs have appealed this decision in the Supreme Court of Israel which temporarily prohibited closing of the Tender Offer until it issues a decision on the appeal. As a result, this Tender Offer that was launched soon after exercise of the option to buy shares from the current promoters of Taro and originally scheduled to expire on July 28th 2008, has now been extended till Nov 7th 2008 and if required, will be extended further.

Earnings call

The Company will conduct an hour long call at 6.30 pm IST on October 25, 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 November 6, 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. 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.

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