Press Release

A Quarter marked by new launches, growth

Profit up 55%, Total Sales up 29%

EPS (on post bonus capital, annualised)–Rs. 27.73

Mumbai, July 17th

Sun Pharmaceutical Industries Ltd, the speciality pharmaceutical company continued to outpace industry growth rate and move up industry rankings with net profit up 55%, total sales up 29% over the corresponding quarter last year.

The company is currently ranked 5th by retail prescription sales, up from 10th position last year (ORG Retail Chemist Audit, May 2000 & 1999 cumm). The company continues to show a much higher than industry growth rate. 6 of the company's speciality brands feature in the top-selling list of 300 pharma brands in the domestic market.

Among the products launched last year, several brands have shown good promise.

Celact (celecoxib) which is likely to become one of the leading brands for the company, Oleanz (olanzapine), the antipsychotic which is quickly becoming the drug of choice for schizophrenia.

7 new products were launched this quarter; key among these were : the Cox 2 inhibitor for the treatment of arthritis, Rofact (rofecoxib), the type 2 oral antidiabetic Glypride (glimiperide), Nodict (naltrexone) for use in drug abuse treatments, the allergy treatment Fexotrol (fexofenadine). Milmet's range was enhanced with the addition of Azelast eyedrops (azelastine), and Ketorid eye drops (ketotifen).

For the quarter, the company reported total sales of Rs. 132.66cr and net profit of Rs. 31.06 cr (after a provision of tax of Rs. 1.96cr) as against a total sales of Rs. 102.93cr and net profit of Rs. 20.03cr for the corresponding quarter previous year. Net profit of Sun Pharmaceutical Exports Ltd. is Rs. 2.77cr, up by 32% from Rs. 2.10cr for previous quarter.

Domestic formulation sales at Rs. 91.09cr was up by 22%. Exports (including Sun Pharmaceutical Exports Ltd) were Rs. 27.50cr, up by 16%.

This year, the equity capital of the company was enhanced from Rs.15.42cr to Rs. 46.74cr after a 2:1 bonus, effective April 1,2000. EPS annualised is up by 55% on post bonus capital, at Rs. 27.73 as against Rs. 17.87, on a comparable basis last year.

There is a significant improvement in operating margins (from 24% last year corresponding quarter to 27% this quarter) and net margins (up from 19% to 23%). This is largely due to benefits of consolidation and strengthening of business processes.

According to Dilip Shanghvi, the Chairman and Managing Director of the company, "With a strategy of focus on niche speciality areas and several new introductions, we are confident of maintaining double the industry growth rate for the year."

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