



**FOR IMMEDIATE RELEASE**

## **Sun Pharma reports continuing growth in Q3**

Net sales up 14%, Net profit up 28%, one more site approved by USFDA

Mumbai, January 30, 2009: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported continuing growth for the third quarter ending Dec 31, 2008.

### **Highlights of Q3 FY09 consolidated financials**

- Net sales increased 14% to Rs. 9183 million, from Rs. 8040 million in Q3 FY08
- International markets contribute 52% of total sales
- Operating margin increased to 42%
- Net profit at Rs. 4086 million, is up by 28% compared to Q3 last year

### **Highlights of 9 months consolidated financials**

- Net sales increased 50% to Rs. 31379 million, from Rs. 20994 million in FY08
- International sales grew at 83%; international markets contribute 57% of total sales
- Operating margin increased to 45%
- Net profit at Rs. 14229 million, is up by 86% compared to the same period 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, "The third quarter financials once again highlight the inherent strength of the business model we have built. Despite the uncertainty in global financial and consumer markets, which may have a delayed impact on our business, the long term strategic intent remains intact with continuous progress being made on building therapy presence in existing and new markets. Our team committed to this objective will enable the Company to deliver consistent growth and long term profitability."

### **India formulations – Maintaining the lead**

Sales of branded prescription formulations were at Rs. 4302 million for the third quarter, a growth of 15% over the same quarter last year, contributing 46% of total sales. For the first 9 months, sales were at Rs 13071 million, an increase of 17% over the corresponding period last year.

Sun Pharma holds 3.5% 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 the year so far to 25.

### **US Generics – Top priority**

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

In the backdrop of a continuing economic recession, Sun Pharma subsidiary, Caraco Pharmaceutical Industries, Ltd (NYSE Alternext US: CPD), recently announced Q3 FY09 sales of USD 55.7 million, down 32% from USD 81.9 million for Q3 FY08. Caraco recorded a net income of USD 5.1 million for Q3 FY09. For the first nine months, Caraco recorded sales of USD 286.2 million, a growth of 80% over 9m FY08. Net income for the first nine months is 22.9 million, registering a fall of 4% over the corresponding period last year. Caraco has revised its full year sales guidance downwards to that of level of sales achieved last year.

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During Q3, ANDAs for 13 products were filed, of which 11 were from Sun Pharma, and 2 from Caraco. For the first 9 months of FY09, ANDAs for 28 products have been filed against a guidance of 30 for the entire year. ANDAs for 6 products from Sun Pharma have been approved in Q3. Now between Sun Pharma and Caraco Pharma, ANDAs for 67 products are approved including an approval for Hydrocodone + Acetaminophen, its first controlled substance formulation from the Cranbury plant. With this, ANDAs for 103 products await USFDA approval, including 7 tentative approvals. These products are expected to feed our US generic business in the years ahead.

Yesterday another Sun Pharma site at Karkhadi (erstwhile Phlox Pharma) near Vadodara in India received a USFDA approval for manufacturing of generic cephalixin capsules.

### **Research – Building the future**

Consolidated R&D expense for Q3 FY09 is Rs 946 million, or 10% of net sales. For the first nine months FY09, R&D expense is Rs 2572 million, 8% of net sales. The total number of patent applications submitted for Sun Pharma now stands at 229 with 73 patents granted so far.

An active API pipeline builds cost competencies, so far a cumulative of 123 DMF / CEP applications have been made, with 67 approved so far.

### **Update on Taro**

The Supreme Court of Israel conducted a hearing on Dec 8, 2008 on the appeal filed by Taro and its outside directors. In a ruling delivered on the same day, the Court recommended the parties to explore a settlement within 30 days. Taking this Court recommendation in the right spirit, Sun Pharma promptly proposed settlement alternatives to Taro and the Levitts. At the end of the 30 day period, having received a very poor, delayed and un-encouraging response from Taro, Sun Pharma requested the Court to rule on the appeal. On January 26, 2009, once again at the recommendation of the Supreme Court, the parties to the litigation, as well as the Levitt and Moros families, agreed to a mediation process to attempt to resolve the dispute. The Court injunction prohibiting closing of the Tender Offer for Taro shares launched by Sun Pharma / Alkaloida remains in place. 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 28 2008, has now been extended till March 6, 2009 and if required, will be extended further.

### **Earnings call**

*The Company will conduct an hour long call at 10.30 am IST on January 31, 2009 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 February 9, 2009 (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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