

FOR IMMEDIATE RELEASE

Sun Pharma reports strong performance

Q4FY13: Net Sales Rs. 3,071 crores, up 32%, Net Profit Rs. 1,011 crores, up 23%
FY13: Net Sales Rs. 11,239 crores, up 40%, Net Profit Rs. 3,008 crores, up 16%

Mumbai, May 28, 2013: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the fourth quarter and year ending March 31st, 2013.

Highlights of Q4 FY13 consolidated financials

- Net sales / Income from operations at Rs. 3,071 crores, a growth of 32% over same quarter last year.
- Branded generic sales in India were at Rs. 780 crores. Adjusted for the extra sales recorded in the Q4FY12 as well as the change in treatment of expected sales returns and treatment of discounts, the underlying sales growth of the domestic formulation business is 16%.
- US finished dosage sales at US\$ 330 million grew by 63% (in US\$ terms) over Q4 last year.
- International formulation sales at US\$ 73 million grew by 13% (in US\$ terms) over same quarter last year
- EBITDA at Rs. 1,260 crores grew by 32% YoY while sustaining EBITDA margin at 41%.
- Net profit at Rs 1,011 crores witnessed a growth of 23% over Q4 last year; resulting margin of 33%

Highlights of FY13 consolidated financials

- Net sales / income from operations at Rs 11,239 crores, a growth of 40% over previous year.
- India branded generic sales were at Rs 2,966 crores. Adjusted for the extra sales recorded in the Q4FY12 as well as the change in treatment of expected sales returns and treatment of discounts, the underlying sales growth of the domestic formulation business is 19%.
- US finished dosage sales at US\$ 1,132 million grew by 56% (in US\$ terms) over previous year.
- International formulation sales at US\$ 281 million grew by 21% (in US\$ terms) over the same period last year.
- EBITDA at Rs. 4,906 crores grew by 51% YoY; resulting EBITDA margin of 44%, compared to 41% for previous year.
- Recurring Net profit at Rs 3,591 crores witnessed a growth of 39% over previous year; resulting margin of 32%.
- In Q2FY13, the company had made a provision of Rs.584 crores towards potential damages in respect of patent infringement litigation related to generic Protonix. After considering this provision, net profit for FY13 was at Rs 3,008 crores, registering a growth of 16% over corresponding period last year.

These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

The Board has recommended payment of a dividend of Rs 5 per equity share of face value Rs 1/- each (500% of face value) for the year ended March 31, 2013, subject to approval of members.

Dilip Shanghvi, Managing Director of the Company said, "I am very pleased to announce that, our sales for FY13 have crossed the US\$ 2 billion mark. While it took us almost 27 years to record US\$ 1 billion in revenues, the next billion was added in just 3 years.

He further said "All our businesses continue to perform in-line with our expectations. We continue to focus on building a differentiated and specialty product portfolio and enhancing our international presence. Overall, we shall strive to remain focused on execution and building a business with consistent performance."

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India Branded Generics –Chronic Therapy Leadership

Sale of branded prescription formulations in India was Rs. 780 crores for the fourth quarter, accounting for 25% of total sales. For FY13, sales were at Rs 2,966 crores accounting for 26% of total sales.

Sun Pharma is ranked 3rd and holds 4.9% market share in the Rs.70,000 crores pharmaceutical market, as per March-2013 AIOCD-AWACS report. Based on SMSRC data for Feb-2013, the company continues to be ranked no. 1 based on share of prescriptions with 7 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, nephrologists and gastroenterologists.

3 products were launched during the quarter taking the total to 25 for FY13.

US Formulations: Strong performance, DUSA & URL Acquisitions to further strengthen US presence

Sales in the US were US\$ 330 million for Q4FY13, up by 63%, accounting for 57% of total sales. This quarter is the first quarter of full consolidation of the DUSA acquisition, while the URL acquisition was consolidated for part of the quarter. For FY13, US sales were US\$ 1,132 million recording a growth of 56%.

Taro recently posted Q4 FY13 sales of US\$ 165 million, up 14% from the corresponding quarter last year. For FY13, Taro's sales were US\$ 671 million up 24%. Taro's Net profit for Q4 was US\$ 49 million and US\$ 266 million for FY13, post provision of US\$ 22 million and US\$ 33 million, respectively for settlements and loss contingencies. Both for the fourth quarter and FY13 volumes declined marginally.

During the quarter, the URL acquisition achieved financial closure. The non-Colcrys (Colchicine, USP) generic assets of URL Pharma are now owned and managed by us. With a portfolio of 107 products represented by over 230 ANDAs, it expands our US portfolio.

In February-2013, the US FDA granted us the final approval for Doxorubicin HCl Liposomal injection. The development and successful commercialization of this product again reflects Sun Pharma's technological strengths.

Rest of World

Formulation sales in rest of the world (ROW) markets outside of India and US accounted for US\$ 73 million in Q4FY13 registering a growth of 13% (in US\$ terms). ROW sales for FY13 were US\$ 281 million, growing at 21% (in US\$ terms). Excluding ex-US Taro sales, underlying sales growth in US\$ terms for Sun Pharma business in these markets was 32% for FY13.

Active Pharmaceutical Ingredients (API): Strategic strength

Our API business continues to be largely used for vertical integration on key products. A cumulative of 239 DMF / CEP applications have been made, with 168 approved so far. External sales of API, accounting for a fraction of the total API production, reached Rs 170 crores in Q4FY13, registering a growth of 11% over Q4 last year. API sales were up 23% to Rs 755 crores for FY13.

Research – Investing for future

Consolidated R&D expense for Q4FY13 was Rs. 203 crores, at 6.6% of sales. For FY13, R&D spend was Rs 676 crores, at 6% of sales.

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In the fourth quarter, ANDAs for 9 products were filed while for FY13, ANDAs for 22 products have been filed with the US FDA. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 449 products have been filed with the USFDA (as on March 31, 2013). ANDAs for 9 products received approvals in the fourth quarter while ANDAs for 20 products were approved in FY13. As of March 31, 2013, cumulative approvals stand at 311 while ANDAs for 138 products now await USFDA approval, including 17 tentative approvals. The above ANDA statistics exclude the discontinued/withdrawn products of URL.

The total number of patent applications submitted now stands at 814, with 457 patents granted so far.

Earnings Call (6pm IST, May 28, 2013)

The Company will host an earnings call at 6pm IST on May 28, 2013, 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 3065 1212 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.

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

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, nephrology, 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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