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Sun Pharma reports 2009-10 financials

Net sales Rs. 4103 crores, Net profit Rs. 1351 crores, R&D Spend Rs 247 crores

Mumbai, May 24, 2010: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE:SUNPHARMA, BSE: 524715) reported numbers for the year ending March 31, 2010.

Highlights of Q4 FY10 consolidated financials

- Net sales at Rs. 1109 crores
- India branded generic sale at Rs 514 crores, growing by 14% after adjusting for one-time sale in Q4FY09
- Caraco sales at \$ 55 million, up by 8% from Q4 FY09
- International branded generic sales have grown by 21% over Q4 FY09
- Operating margin is at 33% compared to 30% in Q4FY09
- Net profit at Rs. 394 crores, equivalent to 36% margin

Highlights of FY10 consolidated financials

- Net sales at Rs. 4103 crores
- India branded generic sale at Rs 1830 crores. The underlying business growth has been 15%, after adjusting for one-time sale in Q4FY09.
- Caraco sales at \$ 234 million
- International branded generic sales have grown by 29% over FY09, and by 25% at constant dollar
- API sales have grown by 13% over last year.
- Operating margin is at 32% compared to 43% in FY09. Margin in the current year has been considerably affected by loss of revenues on Caraco manufactured products compounded by additional costs related to inventory reserve as well as all costs of regaining FDA compliance. The high margin achieved last year was largely on account of significant non-recurring sale and profit from products enjoying limited competition in the US.
- Net profit at Rs. 1351 crores equivalent to 33% margin

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, "Branded prescription products business in India and international markets continues to grow consistently. Continuing R&D investments in expanding the pipeline and presence across markets, including the US, coupled with efforts at Caraco to remedy the FDA issues, should continue to drive business growth over the coming years."

India formulations – Growth continues

Sales of branded prescription formulations in India were at Rs 514 crores for the fourth quarter. This is equivalent to a growth of 14% over the fourth quarter last year, excluding the one-time element in Q4FY09. Making a similar adjustment for the full year numbers, domestic formulation sales at Rs. 1830 crores, growth of 15% over earlier year post adjustment for the one-time sale in the last year.

Sun Pharma holds 3.7% market share in the highly competitive pharma market, as per latest IMS ORG report. Overall, the company is ranked no. 1 based on share of prescriptions with 5 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists and orthopedics.

11 key products were launched during the quarter, taking the total to 49 during this year.



US Generics – Progress update

Caraco has received an approval for a work plan submitted to the USFDA covering remedial actions that would lead to resuming manufacturing at its Michigan facilities.

Reflecting the continued impact of cessation of manufacturing activity after the FDA action, Caraco had recently announced Q4FY10 sales of \$ 55 million, up 8% from the corresponding quarter last year. Caraco recorded a net loss of \$ 3 million for Q4FY10. For the fully year, Caraco reported sales of \$ 234 million and net loss of \$ 9 million. Further shipments of Pantoprazole generic have been stopped.

Between Sun Pharma and Caraco, ANDAs for 84 products are now approved. In the fourth quarter, ANDAs for 15 products have been filed by Sun Pharma. With this, ANDAs for a total of 30 products have been filed during the year. Counting this and the approval received in the fourth quarter, ANDAs for 123 products now await USFDA approval, including 12 tentative approvals. This pipeline is expected to build revenues for our US generic business in the years ahead.

Research – Building for tomorrow

Consolidated R&D expense for Q4 FY10 is Rs. 56 crores, or 5% of sales. For the entire year, consolidated R&D expense is Rs. 247 crores, equivalent to 6% of sales.

A cumulative of 155 DMF / CEP applications have been made, with 89 approved so far. The total number of patent applications submitted now stands at 246 with 81 patents granted so far.

Update on Taro transaction

A judgment in the STO litigation is awaited from the Supreme Court of Israel.

Management Presentation (6 pm IST, May 24, 2010)

The Company will host a management presentation at 6 pm IST on May 24, 2010 where senior management will discuss the Company's performance and answer questions from participants. This presentation 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 3065 0088
Secondary number: +91 22 6629 0088

Replay of call: +91 22 3065 1212.ID: #7696

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 replay will be available for 15 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, diabetology, gastroenterology, and orthopedics. The company has strong skills in product development, process chemistry,

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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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