Sun Pharmaceutical Industries Ltd.,
SUN HOUSE, CTS No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai 400063, India
Tel.: (91-22) 4324 4324 Fax.: (91-22) 4324 4343
CIN: L24230GJ1993PLC019050
www.sunpharma.com

25 May 2018.

National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

BSE Limited,
Market Operations Dept.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Sub: Press Release

Please find enclosed herewith our Press Release relating to fourth quarter & full year FY18 financials, which we shall be releasing after sending this letter to you. This is for your information and record.

Thanking you,

Yours faithfully,
For Sun Pharmaceutical Industries Ltd

A. I. Bhuta

Ashok I. Bhuta
Compliance Officer

Encl: as above

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FOR IMMEDIATE RELEASE

Sun Pharma reports Q4 & FY18 results

Q4 Gross Sales at Rs. 6,711 crores
Q4 Net Profit at Rs. 1,309 crores

Mumbai, May 25, 2018: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the fourth quarter & full year ending March 31st, 2018.

Highlights of Q4FY18 consolidated financials

- Sales / Income from operations at Rs. 6,711 crores, de-growth of 2% over same quarter last year. The decline is primarily driven by the US and the API businesses. All other businesses have recorded positive growth for the quarter.
- India sales at Rs. 1,963 crores, growth of 2% over Q4 last year.
- US finished dosage sales at US$ 368 million down by 3% over Q4 last year.
- Emerging Markets sales at US$ 199 million up by 10% over Q4 last year.
- Rest of World sales at US$ 116 million, growth of 6% over Q4 last year.
- R&D investments at Rs. 743 crores (11% of sales) compared to Rs. 600 crores (9% of sales) for Q4FY17.
- EBITDA at Rs. 1,417 crores, resulting EBITDA margin of 21.1%.
- Other operating income for the quarter at Rs. 266 crores which includes US$ 20 million of milestone payment from Almirall S.A (Spain) as part of the licensing agreement for the development and commercialization of Tildrakizumab for psoriasis in Europe.
- Net profit for the quarter at Rs. 1,309 crores, resulting net margin of 19.5%. Excluding the one-time tax benefit of Rs. 259 crores, the adjusted net profit for the quarter was Rs. 1,050 crores.

Highlights of FY18 consolidated financials

- Sales / Income from operations at Rs. 26,066 crores, de-growth of 14% over same period last year. However, on constant currency and adjusted for GST impact, the degrowth was ~9.5% over last year.
- India sales at Rs. 8,029 crores, up by 4% over the last year.
- US finished dosage sales at US$ 1,357 million down 34% over the last year. US sales for full year last year included benefits of the 180-day exclusivity for generic Imatinib and Olmesartan authorized generics.
- Emerging Markets sales at US$ 751 million up by 11% over the last year.
- Rest of World sales at US$ 461 million, growth of 20% over same period last year.
- R&D investments at Rs. 2,249 crores, at 8.6% of sales
- EBITDA at Rs. 5,185 crores, resulting EBITDA margin of 20%.
- Net profit at Rs. 2,162 crores, resulting net margin of 8.3%. Adjusted for the one-time impact of Modafinil settlement in Q1, deferred tax adjustment in Q3 and one-time tax benefit in Q4, the adjusted net profit for FY18 was at Rs. 3,367 crores.

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

Dilip Shanghvi, Managing Director of the Company said, "Our Q4 performance is in-line with our guidance. Over the last four quarters, we have been able to record a gradual improvement in performance despite a challenging US generic pricing environment. FY19 will mark the crossing of some important milestones in our specialty journey with the likely launch of 3 specialty products in the US – Ilumya, OTX-101 and Yonsa – which will entail upfront investments. We are also planning to conduct additional clinical trials for a new indication of Ilumya. We will continue to evaluate opportunities in the specialty segment to further enhance this business."

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India Business – Market Leadership

Sale of branded formulations in India for Q4FY18 was Rs. 1,963 crores, up 2% and accounting for 29% of total sales. For FY18, sales were at 8,029 crores, up by 4% over same period last year. Post the adjustment for GST impact, the full year growth was ~9%.

Sun Pharma is ranked No. 1 and holds approximately 8.5% market share in the over Rs. 119,000 crore Indian pharmaceutical market as per March-2018 AIOCD-AWACS report. As per latest SMSRC report, Sun Pharma is ranked no. 1 based on share of prescriptions with 13 classes of doctors. The ranking in the oncology segment has improved to No. 1 compared to No. 2 previously. For Q4Y18, the company launched 15 new products in the Indian market.

US Formulations

Sales in the US were US$ 368 million for the quarter, a de-growth of 3% over same period last year and accounted for 35% of total sales. For the full year FY18, sales were US$ 1,357 million recording a de-growth of 34% over same period last year. Sales for full year last year included the benefit of generic Imatinib exclusivity which expired in July-2016. Besides Imatinib, the overall pricing pressure in the US generics market and lower authorized generic sales also impacted the YoY growth.

At the same time, Taro posted Q4 FY18 sales of US$ 175 million, down 11% over Q4 last year. For the full year FY18, sales were US$ 662 million, down 25% over full year last year. Taro's net profit for Q4 was US$ 86 million, up by 4% over Q4 last year. Net profit for full year FY18 was US$ 211 million, down by 54% over full year last year. Taro's net profit for full year FY18 includes a US$38.0 million expense for the estimated impact of the re-measurement of Taro's estimated net deferred tax asset at December 31, 2017, as a result of the Tax Cuts and Jobs Act in the US.

Emerging Markets

Our sales in emerging markets were at US$ 199 million for Q4; a growth of 10% compared to the same quarter last year and accounted for 19% of total sales. For the full year, sales were US$ 751 million, up by 11% over full year last year. While the growth was broad-based across various markets, it was partly boosted by the full-year consolidation of the Biosintez acquisition in Russia.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US$ 116 million in Q4FY18, a growth of 6% from Q4 last year and accounting for approximately 11% of revenues. For the full year, sales were US$ 461 million, up by 20% over full year last year. The growth for FY18 was partly boosted by the full year consolidation of revenues from the acquisition of 14 brands from Novartis in Japan.

Active Pharmaceutical Ingredients (API): Strategic strength

Our API business imparts benefits of vertical integration for our formulations business. We continue to increase the API supply for captive consumption for key products. For Q4FY18, external sales of API were at Rs. 332 crores, a decline of 16% over Q4 last year. For the full year, API sales were at Rs. 1,399 crores, down by 12% over full year last year.

Research – Investing for future

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Consolidated R&D investments for Q4FY18 was Rs. 743 crores, or 11% of sales compared to Rs. 600 crores or 9% of sales for Q4 last year. For the full year, R&D expense was Rs. 2,249 crores, or 8.6% of sales. We have a comprehensive product offering in the US market consisting of approved ANDAs for 422 products while filings for 139 ANDAs await approval, including 14 tentative approvals. For the quarter, 19 ANDAs were filed and 5 approvals were received. The pipeline also includes 39 approved NDAs while 3 NDAs await US FDA approval.

Disclaimer:

Statements in this "Document" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied.

Earnings Call (06.30 pm IST, May 25, 2018)

The Company will host an earnings call at 06.30 pm IST on May 25, 2018, 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 6280 1278 *Playback of call: +91 22 7194 5757, Conference ID: 25282*
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 Pharmaceutical Industries Ltd. (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fifth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable us to deliver quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients in over 150 countries across the world. Sun Pharma's global presence is supported by 41 manufacturing facilities spread across 6 continents, R&D centres across the globe and a multi-cultural workforce comprising over 50 nationalities. In India, the company enjoys leadership across 13 different classes of doctors with 32 brands featuring amongst top 300 pharmaceutical brands in India. Its footprint across emerging markets covers over 100 markets and 6 markets in Western Europe. Its Global Consumer Healthcare business is ranked amongst Top 10 across 3 global markets. Its API business footprint is strengthened through 14 world class API manufacturing facilities across the globe. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities comprising about 2,000 scientists and R&D investments of approximately 8% of annual revenues. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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