Sun Pharmaceutical Industries Ltd.
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FOR IMMEDIATE RELEASE

Sun Pharma reports a strong quarter

Q4FY14: Net Sales Rs. 4,044 crores, up 32%, Net Profit Rs. 1,587 crores, up 57%
FY14: Net Sales Rs. 16,004 crores, up 42%, Adjusted Net Profit Rs. 5,722 crores, up 60%

Mumbai, May 29**,** 2014: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for fourth quarter & full year ending March 31st, 2014.

Highlights of Q4 FY14 consolidated financials

- Net sales / Income from operations at Rs. 4,044 crores, a growth of 32% over same quarter last year.
- Branded generic sales in India at Rs. 947 crores, up by 21% over Q4 last year.
- US finished dosage sales at US$ 403 million grew by 22% (in US$ terms) over Q4 last year.
- International formulation sales outside US at US$ 72 million, were flat (in US$ terms) over Q4 last year
- Overall international revenues accounted for more than 75% of total revenues for the quarter.
- EBITDA at Rs. 1,786 crores grew by 42%; resulting EBITDA margin of 44%, versus 41% for Q4 last year.
- Net profit at Rs. 1,587 crores compared to Rs. 1,012 crores for Q4 last year, up 57% over Q4 last year; resulting margin of 39%.

Highlights of FY14 consolidated financials

- Net sales / Income from operations at Rs. 16,004 crores, a growth of 42% over the same period last year
- India branded generic sales at Rs. 3,692 crores, a growth of 25% over last year. Normalizing for lower sales in Q1FY13, adjusted growth at 17% for FY14. This growth has been achieved despite the implementation of the new pricing policy and trade channel disruptions.
- US finished dosage sales at US$ 1,620 million grew by 43% (in US$ terms) over the same period last year.
- International formulation sales outside US at US$ 316 million grew by 13% (in US$ terms) over the same period last year.
- EBITDA at Rs. 7,120 crores grew by 45%; resulting EBITDA margin of 45%, compared to 44% for FY13.
- Net profit for FY14 at Rs. 3,204 crores compared to Rs. 2,983 crores for FY13
- Recurring net profit for FY14 at Rs. 5,722 crores, up 60% over FY13; resulting margin of 36%. This excludes provision of Rs. 2,517 crores and of Rs. 584 crores respectively, both related to generic Protonix litigation in the US.

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, "FY14 was a good year for us. Our overall performance reflects the focus on execution of our strategy. We are developing a differentiated and specialty business and continue to evaluate opportunities to enhance our global presence."

India Branded Generics – Chronic Therapy Leadership

Sale of branded prescription formulations in India was Rs. 947 crores, up by 21% from Q4 last year. For the full year FY14, sales were at Rs. 3,692 crores, higher by 25% over same period last year. Normalizing for lower sales in Q1FY13, adjusted growth was at 17% for full year FY14. This growth has been achieved despite the implementation of the new pricing policy and trade channel disruptions.

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Sun Pharma is ranked 2nd and holds 5.4% market share in the Rs. 75,000 crore pharmaceutical market as per Mar-2014 AIOCD-AWACS report. It continues to be ranked no. 1 based on share of prescriptions with 7 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedicians, nephrologists, and gastroenterologists.

US Formulations: Strong Performance

Sales in the US were US$ 403 million for Q4 FY14, up by 22%, accounting for 61% of total sales. For the full year, sales were US$ 1,620 million recording a growth of 43%.

Taro recently posted Q4 FY14 sales of US$ 187 million, up 13% from the corresponding quarter last year. For the full year, sales were US$ 759 million, up by 13% over full year last year. Taro's net profit for Q4 was US$ 90 million, up by 82% over Q4 last year. Net profit for full year FY14 was at US$ 360 million, up by 35% over the same period last year

International ex-US formulation sales

Formulation sales in international markets outside of US accounted for US$ 72 million in Q4FY14 were flat YoY (in US$ terms). Sales for the full year were US$ 316 million, growing at 13% (in US$ terms). Excluding ex-US Taro sales, underlying sales growth in US$ terms for Sun Pharma business in these markets was 9% for the fourth quarter and 16% for the full year FY14.

Active Pharmaceutical Ingredients (API): Strategic strength

The API business has strategic importance for vertical integration on key products. A cumulative of 256 DMF / CEP applications have been made, with 174 approved so far. External sales of API reached Rs. 222 crores in Q4FY14, 31% growth over Q4 last year. For full year FY14, API sales were at Rs. 801 crores, a growth of 6% over the same period last year. The lower growth for FY14 is mainly on account of increased captive consumption.

Research – Investing for future

Consolidated R&D expense for Q4 FY14 was Rs. 308 crores, or 7.6% of sales. For full year FY14, R&D spend was Rs. 1,042 crores at 6.5% of sales.

In the fourth quarter, ANDA for 10 products were filed. After counting these, and adjusting for filings that were dropped, cumulatively ANDAs for 478 products have been filed with the USFDA (as on March 31, 2014). ANDAs for 4 products received approvals in the fourth quarter, taking the total number of approvals to 344 (as on March 31, 2014). ANDAs for 134 products now await USFDA approval, including 7 tentative approvals.

The total number of patent applications submitted now stands at 573 with 346 patents granted so far.

Ranbaxy Acquisition – significant opportunity to increase shareholder value

In April-2014, Sun Pharma proposed the acquisition of Ranbaxy Laboratories Ltd in an all-stock deal valued at an Enterprise Value of about US$ 4 billion. The swap ratio has been fixed at 0.8:1. This highly complementary combination will lead to significant value creation opportunities and wealth for shareholders, driven by the strong positioning that the merged entity will enjoy in the US, India and Emerging Markets.

On a pro forma basis, the combined entity's revenues are estimated at US$ 4.2 billion for calendar year 2013 and EBITDA at US$ 1.2 billion. The merged entity will be able to generate synergy benefits of about US$ 250 million by the third year post closure of the deal. These would be driven mainly by a combination of revenue, procurement

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and supply chain synergies. The deal is subject to customary regulatory approvals and is expected to close by end of 2014.

Guidance for FY15

Consolidated FY15 revenue growth guidance of 13-15%, R&D spending at 6-8% of revenues, 25 ANDA filings targeted in US and capex of Rs. 900 crores. The guidance takes in to account the higher base of FY14 as well the risks associated with increase in competition for some products. Guidance is at constant exchange rate and excludes the impact of the proposed acquisition of Ranbaxy pending the deal closure.

Earnings Call (10.00 am IST, May 30, 2014)

The Company will host an earnings call at 10.00 am IST on May 30, 2014, 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 3960 0899 Secondary number: +91 22 6746 8324 *Playback of call: +91 22 30651212 Conference 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 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 specialty pharmaceutical company with over 72% sales from global markets. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in US, India and several other markets across the world. For the year ending March 2013, overall revenues were at US$2.1 billion, of which US contributed US$1.1 billion. 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 dosage forms. More information about the company can be found at www.sunpharma.com.

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