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Sun Pharma Reports FY2010-11 Financials

Sales Rs. 5721 crores, up 43%; Net Profit Rs. 1816 crores, up 32%

Mumbai, May, 28, 2011: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the fourth quarter and full year ending March 31, 2011.

Highlights of Q4 FY11 consolidated financials

- Net sales / income from operations at Rs. 1463 crores, growing 35% over Q4 FY10
- India branded generic sale at Rs. 589 crores, registering a growth of 20% over same quarter last year
- Taro sales at \$ 107.7 million, a growth of 21% over same quarter last year
- EBITDA at Rs. 444 crores, resulting into a margin of 30%
- Net profit at Rs. 443 crores, resulting into a net margin of 30%.

Highlights of FY11 consolidated financials

- Net sales / income from operations at Rs. 5721 crores, growing 43% over FY10
- India branded generic sale at Rs 2380 crores, registering a growth of 37% over same period last year
- EBITDA at Rs 1967 crores, resulting into operating margin of 34%
- Net profit at Rs. 1816 crores, resulting into a net margin of 32%

Strong growth in sales is primarily on account of Taro financials that have been consolidated for a little over 6 months in FY11 financials though not included in corresponding periods of the previous year. These full year financials also include significant components of non-recurring sales and profits contributed by a few products sold in the first half of FY11.

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, "Performance in 2010-11 has been in-line with our expectations. Our growth rate in India continues to be ahead of the market, with strong positions in key chronic therapy areas. Taro acquisition has enhanced our presence in the US market, a key objective of our long term strategy, even as we continue to file new products on our own and evaluate further acquisition opportunities. Our long term joint venture with MSD for the Emerging Markets underscores the strategic importance of these markets for our business. Clearly, this has been an year of important strategic milestones for our international business, which now contributes over 60% of our sales. It will enable us to participate meaningfully in the fast growing global generic market."

India Branded Prescription Products – Strong growth

Sales of branded prescription formulations in India were at Rs. 589 crores for the fourth quarter, a growth of 20% over the same quarter last year, and accounting for 40% of total sales. For FY11, India formulation sales were at Rs. 2380 crores, a growth of 37% over FY10. This high growth in FY11 is partly attributable to a lower base in the first half of FY10. On a like-to-like basis, growth in FY11 is around 23%.

Based on data compiled by AWACS, Sun Pharma has grown by 21% in FY11 and has a market share of 4.3%. AWACS estimates Indian Pharma market growth at 15% in FY11.



9 key products were launched during the quarter, taking the total to 39 for FY11. Overall, the company is ranked no. 1 based on share of prescriptions with 6 classes of specialists: psychiatrists, neurologists, cardiologists, ophthalmologists, orthopedics and gastroenterologists.

Taro

Taro financials for the quarter are consolidated into Sun Pharma financials. Taro recently announced its unaudited financials for the Jan-Mar quarter. Net sales for Jan-Mar quarter is at \$ 107.7 million, a growth of 21% over same period last year, while the net profit for the quarter is at \$ 25.7 million, higher by 199 % when compared to the same quarter last year. Earlier in March 2011, Taro announced its audited financials for CY2009.

In April 2011, USFDA informed Taro that after a February 2011 re-inspection of its Canadian manufacturing facility, the site has an acceptable regulatory status. Therefore, the issues noted in the February 5, 2009 warning letter were considered to be resolved.

Caraco

Caraco has convened a shareholder meeting on June 14, 2011 to approve the merger with Sun Pharma subsidiary. Remediation efforts at the Caraco facility in Detroit and the Sun Pharma Industries., Inc facility in New Jersey are ongoing.

JV with MSD

Recently, after the close of FY11, Sun Pharma and MSD announced the creation of a joint venture to develop, manufacture and commercialize new combinations and formulations of innovative, branded generics that bring together combinations of medicines using platform delivery technologies designed to enhance convenience for patients in the Emerging Markets.

Research – Creating a pipeline

In the Jan-Mar quarter, ANDAs for 8 products have been filed by Sun Pharma. With this, in FY11, ANDAs for a total of 25 products have been filed by Sun Pharma. During this quarter, ANDAs for 2 products from Sun Pharma have been approved taking the total approvals to 14 in FY11. In addition, Taro received approval for 3 in Jan-Mar quarter. Counting all of these and 5 filed ANDAs withdrawn during the year, cumulatively ANDAs for 377 products have been filed across Sun Pharma and Taro, of which 225 have been approved by the USFDA as on March 31, 2011. Of the balance 152 awaiting approval, 20 have tentative approvals.

Consolidated R&D expense for Q4 FY11 is Rs 98 crores, or 6.7% of income from operations. For FY11, the consolidated R&D expense is Rs. 331 crores, or 5.8% of income from operations.

Strengthening our API pipeline, a cumulative of 207 DMF / CEP applications have been made, with 127 approved so far. The total number of patent applications submitted now stands at 549 with 248 patents granted so far. Both of these now include Taro numbers as well.

Earnings call (10 am IST, May 30, 2011)

The Company will host an earnings call at 10 am IST on May 30, 2011 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 3065 0088

Registered Office : SPARC, Tandalja, Vadodara – 390 020. India

Corporate Office : Acme Plaza, Andheri – Kurla Road, Andheri (East), Mumbai – 400 059. India

17/B, Mahal Industrial Estate,
Mahakali Caves Road,
Andheri (East), Mumbai 400 093 India
Tel.: (91-22) 6645 5645
Fax.: (91-22) 6645 5685



Secondary number: +91 22 6629 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 10 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, 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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