

Press Release

Domestic Market growth continues Profit up 18%, Sales up 13.6%

Mumbai, July 22:

Sun Pharmaceutical Industries Ltd., the speciality pharmaceutical company reported net profit up 18%, sales up 13.6% for the quarter ended 30th June 2002, over the first quarter last year.

For the quarter, the company reported sales of Rs. 190.09cr (Q1 2001-2002 Rs. 167.27cr) and PAT of Rs.48.07cr (Q1 2001-2002 Rs. 40.74cr). Domestic formulation sales at Rs.126.15cr (Q1 2001-2002 Rs.109.16cr) were up 15.6%.

Exports at Rs.33.37cr (Rs.29.43cr) was up by 13.4%. Bulk active exports at Rs25.92cr were up by 7.2% (Rs.24.19cr), despite the reduction of commodity bulk actives and its substitution by speciality bulk actives.

Operating profit was up by 20.2% over the corresponding quarter, driven by focus on speciality therapy areas.

These unaudited results were taken on record at a board meeting held in Mumbai today.

In a separate announcement yesterday, Caraco Pharma Labs announced quarter 2 sales of \$5.6mill (q2 2001 \$924,552). Operating profit was \$307,277 as against a year ago operating loss of \$1,411,768. The q2 net loss was \$68,157, an improvement over net loss of \$1,953,291 from a year ago. The q2 2002 net loss was after a non-cash R&D charge for 2 drug technology transfer fee by way of issue of shares worth \$1.25mill.

8 new products across 9 divisions were launched this quarter; key among these were the antipsychotics Qutipin and Zypsidon, Lotensyl, an antihypertensive, Rilutor a treatment for neuro-degenerative disease, Lotepred, the first site specific corticosteroid for eye inflammation.

Of special significance were two products were introduced for high value niche markets using complex drug delivery technology.

Lupride Depot (lupreolide acetate IM), a once a month injection, contains special biodegradable microspheres in a lyophilized form. Lupride Depot is used in the treatment of advanced prostate cancer and in the treatment of fibroids and endometriosis. According to the Bombay Cancer registry, every year about 6,600 new cases of prostate cancer are diagnosed; and 40,000 men suffer from prostate cancer, taking a 10-year survival period. This once a month Depot formulation has been designed by scientists at the company's R&D center, SPARC.

Surfact (colfosceril palmitate) is a high value surfactant for endotracheal infusion for use in premature babies, particularly babies born before completion of 37 weeks of pregnancy. Such babies are at severe risk for respiratory distress syndrome (RDS), where they can literally choke to death for want of oxygen and accumulation of carbon dioxide. RDS risk factors include: babies of diabetics, premature babies, low birth weight babies, mothers whose earlier babies had RDS. By conservative estimate, 10% of all pregnancies are premature and there are about 60,000 cases of neonatals with breathing difficulties born every year. This is the first time this product has been launched in India.

An aggressive filing plan for DMF of speciality bulk actives for the regulated markets is underway. The Ankleshwar site is largely being used for the manufacture of important intermediates, with the intent of dedicating manufacturing sites at Panoli and Ahmednagar for the regulated markets.

According to Dilip Shanghvi, the Chairman and Managing Director of the company, "This quarter has been remarkable in terms of the turnaround at Caraco in line with our forecast. I am also excited about some of the new products introduced, such as Lupride Depot and Surfact. These new products use significantly complex drug delivery technology to address high value markets that were unaddressed/inadequately addressed earlier. These new products help us take a step further towards our objective of delivering growth through technology. These

skills adds to our confidence in creating an international, research based pharma company."

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